

## Appendix A

### SECTION 1.0

#### REVIEW OF PREVIOUS ELEMENT

State law requires the City of Hollister to review its Housing Element in order to evaluate:

- a. "The effectiveness of the previous Housing Element in attainment of the community's housing goals and objectives." The effectiveness of the Housing Element should be quantified where possible and qualitative where necessary.
- b. "The progress of the City and/or County, in implementation of the Housing Element." An analysis should be performed to determine where the previous Housing Element met, exceeded, or fell short of what was anticipated.
- c. "The appropriateness of the housing goals, objectives and policies in contributing to the attainment of the state housing goal." Describe how goals, objectives, and policies are being changed or adjusted as necessary.

The remainder of this section fulfills this State requirement.

#### EFFECTIVENESS OF PREVIOUS ELEMENT

The State's housing goal is met by an assignment of gross allocations of housing unit goals to regional governments, which in turn allocate the housing unit goals to counties and cities. The document produced by regional governments that allocates housing unit goals is referred to as the "Regional Housing Needs Assessment" (RHNA). The last funded RHNA for San Benito County was prepared in 2001 from the Council of San Benito County of Governments, which covered the period January 1, 2001 to June 30, 2009. The 2009-2014 RHNA is discussed in Section 2.2-New Construction Needs.

The effectiveness of the City of Hollister's Housing Programs in meeting regional housing needs can be measured by the level of achievement in constructing new housing units. Many uncontrollable factors influenced the City's effectiveness. The primary determinant was the City's inability to

construct or approve new residential units because of a lack of sewerage capacity between October of 2002 and December of 2008. Early in the prior RHNA period (2000, 2001 and 2002), approximately 600 single family units were built in the City. However, prior to the sewer moratorium, the City was able to approve allocations for construction of 1200 new housing units from prior growth management programs and a development agreement. Nearly 19 percent will be made affordable to lower income households. In 2008 the City issued building permits for 15 single family homes out of the previously approved 1,200 units.

TABLE 1

## CITY OF HOLLISTER 2000 through 2009 RHNA Achievement Levels

<i>City</i>	<i>2000-2009 RHNA Goal</i>	<b>2000-2009 Units Constructed</b>	<b>2000-2009 Units Approved</b>	<b>Percent of Goal Achieved</b>
Extremely Low	300	0	56	18.6%
Very Low Income	300	0	57	19%
Low Income	599	0	113	18.8%
Moderate Income	725	0	368	50.7%
Above Moderate Income	1,230	601	626	99.7%
Total	3,154	601	1,220	38.7%

Source: Council of San Benito County of Governments, Department of Finance, and Hollister Building

## Permits

Due to the City's inability to provide sewer service to additional urban development, the 2003-2008 Housing Element was a period of virtually no growth.

While the City has worked to facilitate additional development of low and very low-income housing, due to the previously aforementioned factors, and other elements beyond the City's control, the City did not meet the RHNA affordable housing goals for the prior period. The City achieved approximately 18.8 percent of the RHNA goals for extremely low, very low, and low income households. The City implemented its affordable housing strategy as outlined in the 2003-2008 Housing Element, and concentrated much effort on preparing to emerge from the moratorium well positioned for the pent up demand for growth. The City has retained the minimum number of housing choice vouchers and several multi-family complexes have

maintained their affordability, and the Redevelopment Agency has continued to work with property owners towards rehabilitation and increasing opportunities for first-time homebuyers. The City also accomplished many of its goals, by adopting a new Zoning Ordinance and Growth Management rating scale to implement the General Plan, setting the stage for mixed-use and other types of innovative development, by passing a "Second Unit Amnesty" program, and by adopting several housing related policies.

### **Progress of Hollister's Housing Program**

#### Housing Goals from prior (2003-2008) Housing Element

Goal H1: Work together to build a Sense of Community and Achieve Housing Goals.

Goal H2: Maintain and Enhance Existing Housing and blend well designed new housing into Neighborhoods and Communities.

Goal H3: Use land efficiently to Encourage a Diversity of Housing Types and to Implement "Smart" and Sustainable Development Principles.

Goal H4: Develop Affordable Housing Opportunities.

Goal H5: Provide housing for Special Needs Populations.

The following table provides an overview of the objectives and goals in the 2003-2008 Housing Element and the City's progress on implementation.

Table 2  
2003- 2008 CITY OF HOLLISTER HOUSING ELEMENT  
*PROGRESS IN MEETING OBJECTIVES*

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<b>H1.1: Local Government Leadership:</b> Establish affordable housing as a citywide priority, with local government taking a proactive leadership role in working with community groups and other agencies on identified housing element implementation actions in a timely manner.	<b>Update the housing element regularly:</b> Undertake housing element updates as needed, including an update to occur no later than June 2009, in accordance with State law requirements.	Continue as On-Going implementation	New Program H.Z

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p><b>Prepare information and conduct outreach on housing issues:</b>            Coordinate with local businesses, housing advocacy groups and neighborhood groups in building public understanding and support for affordable and special needs housing. Through written materials and public presentations, inform residents of housing needs, issues, and programs (second units, rental assistance, rehabilitation loans, etc.)</p> <p>Specific actions include:</p> <ol style="list-style-type: none"> <li>Provide information pamphlets on housing issues and programs at public locations and community mailings.</li> <li>Distribute material to neighborhood groups and associations.</li> </ol> <p>Provide public information through articles in the local newspapers and the City's newsletter and on the City's website.</p>	<p>City conducted housing workshops on throughout July and August of 2008; July 21, 23, and 30 and August 6, and 7, as well as additional efforts through the balance of Fall/Winter 2008. The City also makes information available on web site and at the public counter in City Hall.</p>	<p>New Program H.G commits the City to ongoing public outreach efforts.</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	c. Work with unions, churches, businesses, new housing providers and other groups that might be mobilized to help support affordable and special needs housing development.		
<b>H1.2: Community Participation in Housing and Land Use Plans:</b> Assure effective and informed public participation from all economic segments of the community in the formulation and review of housing and land use issues, policies, and programs.	<p><b>Facilitate the establishment of neighborhood associations:</b></p> <p>Encourage community members and developers to establish neighborhood associations. Establish direct communication channels with City Hall, develop shared goals and action plans, and publicize joint efforts through the City's newsletter and website.</p>	On-Going implementation.	Program H.G

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>HI.3: Managed Growth that meets Regional Housing Needs Determinations:</b></p> <p>Manage new growth and assure orderly development of vacant land while expanding public services and infrastructure to meet housing need. Assure that a growth management program does not preclude the City's ability to meet affordable housing goals for lower and moderate-income households.</p>	<p><b>Modify the growth control ordinance after the expiration of Measure U:</b></p> <p>Within six months of the expiration of Measure U, the City will consider amending the Growth Management Ordinance to exempt very low and lower-income affordable housing units and new dwelling units in the Downtown Commercial/Mixed-Use Designation. Implementation is expected to occur 5-years after the RWQCB Cease and Desist Order is lifted.</p>	<p>Measure U expires in 2012.</p> <p>Growth Management implemented with adoption of new rating scale.</p> <p>City Council placed Measure Y on the November 2008 ballot which passed. The measure, exempts residential projects in the downtown district. See discussion in Section 2.3.</p>	<p>Allow construction of 1182 allocated residential units from prior growth management programs.</p> <p><u>2009-2010:</u> Host informational meetings with property owners in the Measure Y exemption area to inform them about options for infill residential housing on upper levels and under-utilized properties. New Program H.N.</p> <p><u>2008-2010 Allocation:</u> Allocate 709 residential units based on Measure U with at least 120 units for affordable housing and target 58% of the housing allocations for multi-family and mixed use zoning districts to reduce the shortage of multi-family housing stock.</p> <p><u>2011-2012:</u> Allocate at least 288 residential units based on Measure U with 80 affordable and at least 45% of the residential allocations to multi-family and mixed use land use zoning districts. Program H.J</p>

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			<p><u>2011-2012:</u> Prior to expiration of Measure U evaluate whether or not a growth management program is warranted. Assure that any growth management program allows construction of at least 254 residential units per year based on General Plan Table LU1. Modify any growth control ordinance to continue the Measure Y exemption and exclude infill development in all residential and mixed use zoning districts from minor subdivisions or development of four units or less on a property. New Program H.I.T</p> <p>Program H.I</p>
<b>H1.4: Timing of Housing and Infrastructure:</b> Continue to support the timing of new housing with needed infrastructure improvements.	<b>Expand sewer and water system capacity to meet housing needs:</b> Develop long-term wastewater treatment program that allows the City to resume construction activity and provides adequate capacity to meet projected housing needs. Identify additional development projected under the General Plan.	On-Going Implementation. New Wastewater treatment plant operational as of November, 2008.  Continue to negotiate MOU with water districts.	

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H1.5: Equal Housing Opportunity:</b> Ensure equal housing opportunities for individuals and families seeking housing in Hollister are not discriminated against on the basis of race, color, religion, marital status, disability, age, sex, family status (due to the presence of children), national origin, or other arbitrary factors, consistent with the Fair Housing Act.</p>	<p><b>Respond to fair housing complaints:</b> The Redevelopment Project Manager will investigate and deal appropriately with fair housing complaints. The City will refer discrimination complaints to the appropriate legal service, county or state agency. If mediation fails and enforcement is necessary, the City will refer tenants to the State Department of Fair Employment and Housing or HUD, depending on the nature of the complaint.</p>	<p>On-Going Implementation</p>	<p>Program H.II</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p><b>Disseminate fair housing information:</b> The Redevelopment Project Manager is the designated Equal Opportunity Coordinator in Hollister and will ensure that written materials regarding fair housing law are provided at various public locations in the City and that information regarding fair housing agencies and phone numbers is posted on the City's website and at City Hall, the Post Office, and local transit locations where feasible. The Redevelopment Project Manager will provide information to real estate professionals, property owners and tenants on their rights, responsibilities, and the resources available to address fair housing issues.</p> <p><b>Adopt an anti-discrimination ordinance:</b> The City will adopt and Anti-Discrimination Ordinance to prohibit discrimination based on the source of a person's income or the use of rental subsidies, including Section 8 and other rental programs.</p>	<p>English and Spanish Fair Housing Information is Posted at City Hall, the Building Department and Redevelopment Agency/Development Services Department</p> <p>The City is not proceeding with this implementation program; remove program.</p>	<p>Program H.II</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H1.6: Monitoring, Evaluation and Revisions:</b> Establish a regular monitoring and update process to assess housing needs, opportunities, and achievements, and modify policies, programs and resource allocations as needed.</p>	<p><b>Implement monitoring systems:</b> Annually monitor and update housing development accomplishments, including housing type and affordability level of housing units approved and built during the planning period. Monitor general housing conditions and track the number of housing units rehabilitated and replaced against housing program objectives. Maintain an up-to-date inventory of vacant land for distribution to for-profit and non-profit developer organizations; mail this inventory to private and non-profit developers on an annual basis and provide this information at the planning counter and by request to all interested parties.</p>	<p>On-Going Implementation as part of annual general plan progress report.</p>	<p>Program H.CC</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p><b>Conduct an annual housing element review:</b> Develop a process for the assessment of Housing Element implementation through annual review by the Hollister Planning Commission and City Council in conjunction with State requirements for a written review by July 1 of each year (per Government Code Section 65583(3)). Provide opportunities for public input and discussion in the review and establishment of annual work priorities for staff, Planning Commission, and City Council. Submit an annual general plan progress report to HCD by October 1 as required pursuant to Government Code Section 5400.</p>	On-Going Implementation, as part of annual general plan progress report.	Program H.Z

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H1.7: Legislative efforts:</b> Work with other jurisdictions in San Benito County and the surrounding areas to support key legislation that assists cities in providing affordable housing consistent with the General Plan.</p>	<p><b>Prepare information and conduct outreach on housing issues:</b> Coordinate with local businesses, housing advocacy groups and neighborhood groups in building public understanding and support for affordable and special needs housing. Through written materials and public presentations, inform residents of housing needs, issues, and programs (second units, rental assistance, rehabilitation loans, etc.)</p> <p>Specific actions include:</p> <ol style="list-style-type: none"> <li>Provide information pamphlets on housing issues and programs at public locations and community mailings.</li> <li>Distribute material to neighborhood groups and associations.</li> <li>Provide public information through articles in the local newspapers and the City's newsletter and on the City's website.</li> </ol>	On-Going Implementation	Program H.G

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	d. Work with unions, churches, businesses, new housing providers and other groups that might be mobilized to help support affordable and special needs housing developments.		
<b>H2.1: Housing design process:</b> Review proposed new housing to achieve excellence in development and design through an efficient project review process.	<p><b>Adopt criteria for use in design review and refine the design review process:</b> Adopt design criteria that will establish consistent development review for use by applicants, the community, staff and decision-makers in order to:</p> <ul style="list-style-type: none"> <li>a. Define clearly the purview and purpose of the “design review” process, issues, and decisions.</li> <li>b. Create a simple and streamlined process for non-controversial projects.</li> <li>c. Provide public handouts and train planners and design review members on the design review process and criteria to be used in reviewing projects.</li> </ul>	<p>Program action complete. The City of Hollister will implement newly adopted Architectural review process.</p>	Program H.H

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>d. Clarify which types of projects can have final (and exclusive) approval at the design review level, either with a design review board or with staff, subject to adequate noticing and appeal procedures (such as second units, house additions, etc.)</p> <p>The principles that drive the criteria are:</p> <p>a. Building Bulk Requirements. In multi-unit buildings, require designs to break up the building mass and reducing bulk, including the use of upper story setbacks and landscaping. Ensure a human scale in new development, and when possible create multi-family buildings that have the appearance of single-family homes. Windows, doors and exterior treatment, for example, are an important element of building design and are an indicator of overall building quality.</p>		

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	<p>b. Street Patterns. Incorporate transitions in height and setbacks from adjacent properties to respect adjacent development character and privacy. Design new housing so that it relates to the existing street pattern and creates a sense of neighborliness with surrounding buildings.</p> <p>c. Enhance the "Sense of Place". Design new housing around natural and designed focal points, through direct pedestrian, transit or automobile connections. Respect existing landforms, paying attention to boundary areas and effects on adjacent properties.</p>		

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	<p>d. Minimize the Visual Impact of Parking and Garages. Encourage driveways and garages to be located to the side of buildings and recessed, or along rear alleyways or below the building in some higher density developments. Discourage home designs in which garages dominate the public façade of the home. Use Quality Building Materials. Building materials should be high quality, long lasting, durable and energy efficient.</p>		
<p><b>H2.2: Design that fits into the Neighborhood Context:</b> Enhance neighborhood identity and sense of community by designing new housing with a sensitive transition of scale and compatibility with the surrounding neighborhood.</p>	<p><b>SAME AS ABOVE</b></p>	<p>Program action complete, remove program. City will implement newly adopted Architectural review process.</p>	<p>Program H.H</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<b>H2.3: Housing Design</b> <b>Principles:</b> Provide stable, safe, and attractive neighborhoods through high quality architecture, site planning, and amenities that address the following principles: <ol style="list-style-type: none"> <li>Building Bulk Requirements</li> <li>Street Patterns</li> <li>"Sense of Place"</li> <li>Visual Impact of Parking and Garages</li> <li>Quality Building Materials</li> </ol>	SAME AS ABOVE	Program action complete. The City will implement newly adopted Architectural review process.	Program H.H

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<b>H2.4: Resource Conservation:</b> Promote development and construction standards that provide resource conservation by encouraging housing types and designs that use cost-effective energy conservation measures and fewer resources (water, electricity, etc.) and therefore cost less to operate over time, supporting long term housing affordability.	<b>Publicize energy conservation programs:</b> Provide public information on alternative energy technologies for residential developers, contractors and property owners. Publicize energy conservation programs and weatherization services that are available to provide subsidized or at cost inspection and corrective action by making information available through websites and newsletters. <b>Apply Title 24 requirements:</b> Meet or exceed Title 24 energy conservation requirements, and, where possible, require structural and landscaping design to make use of natural heating and cooling.	Continue to publicize energy conservation programs to cut long term energy costs, and lower the cost of construction.  See above.	Program H.X  Program H.LL
<b>H2.5: Renewable Energy Technologies:</b> Promote the use of renewable energy technologies (such as solar and wind) in new and rehabilitated housing when possible.	<b>Promote Solar Design:</b> Promote the use of solar energy and develop design standards relating to solar orientation, including landscaping, fences, impervious surfaces, and parking-space requirements to conserve energy. <b>Encourage "green" building standards and processes:</b> Adopt a "Green Building Program" to encourage the use of green building materials and energy conservation.	The City of Hollister will continue to pursue a solar program.  Staff resources were allocated to completing the general plan revision and zoning ordinance revision. Keep program..	Program H.L  Program H.X

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H2.6: Maintenance and Management of Quality Housing:</b> Support good management practices and the long-term maintenance and improvement of existing housing through housing and building code enforcement, and rehabilitation loan assistance for low and moderate income homeowners and rental property owners with lower income tenants. Make the most effective use of rehabilitation loan funds by prioritizing their use to meet the greatest need.</p>	<p><b>Link code enforcement with public information programs:</b> Implement housing, building and fire code enforcement to ensure compliance with basic health and safety building standards, and provide information about rehabilitation loan programs for use by qualifying property owners who are cited. In particular, contact owners of structures that appear to be in declining or substandard condition, offer inspection services, and advertise and promote programs that will assist in funding needed work.</p> <p><b>Assist in maximizing use of rehabilitation loan programs:</b> Publicize low-income homeowners assistance for housing rehabilitation and the availability of other funding mechanisms to help with home up-keep and maintenance, such as reverse mortgages for seniors on fixed incomes. Utilize Redevelopment Agency funds that are available for rehabilitation purposes. Facilitate greater participation in the program by increased advertising and by encouraging resident participation.</p>	<p>Code Enforcement currently on complaint basis, approximately 42 housing and housing related code enforcement calls annually.</p> <p>The City will actively publicize availability of assistance programs..</p>	<p>Program H.II.EE</p> <p>Program H.I.Y</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H3.1: Variety of Housing Choices:</b> Achieve a mix of housing types, densities and designs to provide choice in owner and renter housing, housing close to jobs and transit, mixed use housing, varying affordability levels, mobile homes and manufactured housing, assisted living and supportive housing, and other housing types.</p>	<p><b>Establish mixed-use development standards:</b> Assess impediments and create incentives for mixed-use housing development, including changes to zoning and development code standards to make possible affordable housing development in mixed-use zones, such as second and third stories on buildings with commercial use at ground level and offices and housing above. Provide the following incentives:</p> <ul style="list-style-type: none"> <li>a. Provide flexibility in applying parking standards based on the development's location and the type of housing units, and allow commercial and residential users to "share" parking requirements.</li> <li>b. Award height limit bonuses, especially downtown.</li> <li>c. Allow flexibility in applying development standards (FAR, lot coverage) based on the location, type, and size of units, and the design of the development.</li> </ul>	<p>Implementation complete. See new continuation program.</p>	<p>Program H.F, H.N and H.MM</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>d. Encourage housing by allowing the residential component of a mixed-use development to be "additive" rather than within establish FAR for that zone.</p> <p>e. Allow tandem parking or off-site parking leases.</p> <p>Review Public Works, Building, Housing and Fire standards to reduce or eliminate impediments to mixed-use development where it is possible and appropriate.</p>		
	<p><b>Implement zoning amendments for mobile and manufactured homes:</b></p> <p>Comply with State Government Code by amending the Hollister Zoning Ordinance to establish mobile and manufactured homes on foundations as permitted uses in residential zones, subject to City's Design Review guidelines and other applicable zoning standards.</p>	<p>Partial completion. Zoning ordinance allows mobile and manufactured homes as a permitted use but recommend Zoning Ordinance modification in residential zone subject to design review guidelines and zoning standards.</p>	Program H.M

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H3.2: General Plan and Zoning for Housing:</b> Maintain an adequate supply of land designated for all types of residential development to meet the regional housing need. Within this total, maintain a sufficient supply of land for multi-family housing and mixed use housing to meet the quantitative housing need for very low, low, and moderate income housing units.</p>	<p><b>Prepare land use plans to facilitate multi-family infill housing:</b> While preparing the General Plan, identify areas meeting appropriate criteria for higher density zoning. Land use plans should consider the following:</p> <ul style="list-style-type: none"> <li>a. Use environmental assessments to expedite processing for infill and affordable housing developments.</li> <li>b. For key housing opportunity sites and areas, identify specific housing use and design objectives, and then incorporate fast track process provisions for subsequent projects that are consistent with the plan.</li> <li>c. Identify the mix of uses, minimum density standards, density bonuses, or a percentage of affordable units (sites should be rezoned at sufficient densities to create incentives for housing production within the 5-year timeframe of the housing element.</li> </ul>	<p>Implementation complete.</p>	<p>Program H.CC will continue to implement new regulations.</p> <p>New: 2008-2010 Use the approved growth rating management system to approve Growth management allocations to infill projects, at least 120 affordable units, and over 50% of the projects in the multi-family and mixed use districts to stimulate the construction of more high density rental housing.</p> <p>2011-2012 Growth Allocations:</p> <p>New: Initiate a phased program for annexation of island lands in the Sphere of Influence to meet future housing needs to assure that there is an inventory of land for new construction needs.</p> <p>Program H.W</p>

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	<p>d. Prepare area-wide or specific plan environmental baseline data and assessment of development impacts under maximum development scenarios as a way to assess area-wide impacts and required mitigation.</p> <p>e. Establish objectives and commitments in community and neighborhood plans so that project specific review can focus on site-specific issues such as design.</p> <p>f. Link plans to be consistent with CEQA exemptions and expedited review, consistent with the CEQA Section 15332.</p> <p>Provide clear guidelines and incentives for the development of housing in conformance with current State laws and to identify specific ways to streamline processing for subsequent development proposals.</p>	<p>City Rezoning complete designating additional land for residential other than single family, from 88% to 71%; additional measures identified for implementation.</p>	

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	<p><b>Identify new sites for multi-family infill housing when opportunities arise:</b> Identify additional sites for multi-family land use for the development of affordable and special needs housing where opportunities are available that will not dramatically change the visual characteristics or livability of an area. Such sites may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>a. Land owned by other groups and governmental agencies (such as school districts).</li> <li>b. Agriculture and vacant land.</li> <li>c. Re-use of underutilized or non-viable commercial sites and, in limited circumstances, industrial site, to encourage adaptive re-use of vacant buildings with residential or mixed residential and commercial uses.</li> <li>d. Parking Lots</li> <li>e. Residentially zoned sites where higher density is feasible or may be accommodated through lot consolidation.</li> </ul>	<p>The City has identified properties for infill through surveys of infill neighborhoods. New continuation program.</p>	<p>Program H.BB</p>

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	f. Identify other housing opportunity areas and sites where a special effort will be made through incentives and other means to provide affordable housing and where affordable housing will be built and provide incentives and other means to make that development happen.		

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	<p>g. Provide information on housing opportunity sites that are prioritized for development according to the City's phasing strategy. Inform the development community about changes in growth management and allocation process that encourage mixed use, senior, and affordable units, and exempt second units and legally restricted affordable units from growth control limits. Upon adoption of new land use and growth control measures, prepare a press release for distribution to the local media. On an annual basis, mail information on housing opportunity sites and incentives for development, such as density bonuses, to private and non-profit developers who are active in San Benito County. On an on-going basis, provide information at the planning counter and by request to all interested parties.</p>		

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H3.3: Efficient Use of Housing Sites and Establishment of Minimum Densities:</b> Approve well-designed projects at the mid to high range of general plan densities; do not approve development below minimum designated General Plan densities unless physical or environmental constraints preclude its achievement. If development on a site is to occur over time require applicants to show that proposed developments do not prevent subsequent development of the site to its minimum density.</p>	<p><b>Prepare land use plans to facilitate multi-family infill housing:</b> While preparing the General Plan, identify areas meeting appropriate criteria for higher density zoning. Land use plans should consider the following:</p> <ol style="list-style-type: none"> <li>Use environmental assessments to expedite processing for infill and affordable housing developments.</li> <li>For key housing opportunity sites and areas, identify specific housing use and design objectives, and then incorporate fast track process provisions for subsequent projects that are consistent with the plan.</li> <li>Identify the mix of uses, minimum density standards, density bonuses, or a percentage of affordable units (sites should be rezoned at sufficient densities to create incentives for housing production within the 5-year timeframe of the housing element.)</li> </ol>	<p>New Zoning Code and standards adopted. Continuation programs.</p>	<p>Program H.BB. and H.FF</p>

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	<p>d. Prepare area-wide or specific plan environmental baseline data and assessment of development impacts under maximum development scenarios as a way to assess area-wide impacts and required mitigation.</p> <p>e. Establish objectives and commitments in community and neighborhood plans so that project specific review can focus on site-specific issues such as design.</p> <p>f. Link plans to be consistent with CEQA exemptions and expedited review, consistent with the CEQA Section 15332.</p> <p>Provide clear guidelines and incentives for the development of housing in conformance with current State laws and to identify specific ways to streamline processing for subsequent development proposals.</p>		

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<b>H3.4: Development Standards:</b> Allow for flexibility in applying development standards, such as FAR, height limits, density, and parking, based on the location and design of the development, compatibility with adjacent uses, and the type, size, and income levels of the occupants of the housing; recognize that smaller more affordable housing near transit and services will generate fewer trips and area-wide impacts and will require less parking.	Identify additional sites for multi-family land use for the development of affordable and special needs housing where opportunities are available.	Implementation completed with adoption of Title 17. Remove program.	

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<b>H3.5: Impact and Planning Fees:</b> Reduce and/or defer fees for lower income housing to the extent possible and when possible, and encourage other agencies to also do so.	<b>Revise impact and planning fees:</b> Assess the feasibility of establishing fees on a sliding scale so that smaller units, including multi-family and second units, are charged lower fees while maintaining adequate funding levels for infrastructure and public services. Complete feasibility study by January 2007; implement recommended impact and planning fees by June, 2007.	Reduced connection fees for multi-family units were adopted between 2005 and 2008 for sewer connections, water connections and traffic. The City will continue to seek ways to lower housing development costs.	Program H.C
<b>H3.6: Mixed Use Housing:</b> Promote and provide incentives for well-designed mixed-use residential/ non residential developments in areas that allow mixed uses, where residential use is appropriate to the setting, and development impacts can be mitigated. Allow residential use as part of mixed use projects, particularly Downtown.	<b>Establish mixed-use development standards:</b> Assess impediments and create incentives for mixed-use housing development, including changes to zoning and development code standards to make possible affordable housing development in mixed-use zones, such as second and third stories on buildings with commercial use at ground level and offices and housing above. Provide the following incentives:	Implementation complete, remove program.	

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>a. Provide flexibility in applying parking standards based on the development's location and the type and size of the housing units, and allow commercial and residential users to 'share' parking requirements.</p> <p>b. Award height limit bonuses, especially Downtown.</p> <p>c. Allow flexibility in applying development standards (FAR, lot coverage) based on the location, type, and size of the units, and the design of the development.</p> <p>d. Encourage housing by allowing the residential component of a mixed use development to be 'additive' rather than within the established FAR for that zone.</p> <p>e. Allow tandem parking or off-site parking leases.</p> <p>Review Public Works, Building, Housing and Fire standards to reduce or eliminate impediments to mixed-use development where it is possible and appropriate.</p>		

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<b>H3.7: Employee Housing:</b> Encourage employers developing large projects (100+ employees) to provide housing opportunities for their employees onsite or offsite.	<p><b>Prepare land use plans to facilitate multi-family infill housing:</b> While preparing the General Plan, identify areas meeting appropriate criteria for higher density zoning. Land use plans should consider the following:</p> <ol style="list-style-type: none"> <li>Use environmental assessments to expedite processing for infill and affordable housing developments.</li> <li>For key housing opportunity sites and areas, identify specific housing use and design objectives, and then incorporate fast track process provisions for subsequent projects that are consistent with the plan.</li> <li>Identify the mix of uses, minimum density standards, density bonuses, or a percentage of affordable units (sites should be rezoned at sufficient densities to create incentives for housing production within the 5-year timeframe of the housing element.)</li> </ol>	Complete, continuation programs.	Programs H.BB and H.FF

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>d. Prepare area-wide or specific plan environmental baseline data and assessment of development impacts under maximum development scenarios as a way to assess area-wide impacts and required mitigation.</p> <p>e. Establish objectives and commitments in community and neighborhood plans so that project specific review can focus on site-specific issues such as design.</p> <p>f. Link plans to be consistent with CEQA exemptions and expedited review, consistent with the CEQA Section 15332.</p> <p>Provide clear guidelines and incentives for the development of housing in conformance with current State laws and to identify specific ways to streamline processing for subsequent development proposals.</p>		

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<b>H3.8: Second Units:</b> Encourage additional well-designed second units as a desired use in all residential neighborhoods throughout the City by simplifying permit review and encouraging that in new subdivisions over 10 units a portion of the lots construct a second dwelling unit by creating appropriate incentives. Consistent with State housing law, exempt second dwelling units from area density calculations.	<b>Provide information on second units for homeowners.</b> Provide marketing and educational assistance to homeowners and develop a guide for homeowners explaining the benefits, "best practices", and procedures for adding a second unit.	Second unit amnesty program adopted. Continuation program.	Program H.E

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p><b>Modify second unit development standards and permit processes.</b> Encourage the development of affordable second units in single-family residential districts by adopting new second unit development standards and permit processing procedures in compliance with AB 1866. Establish second units as a permitted “use by right” when the single family lot, primary structure and second unit meet all of the zoning and building development standards established for the zoning district in which they are located. Below are specific items to review and consider modifying in regard to second unit development requirements:</p> <ul style="list-style-type: none"> <li>a. Limit the size of second units to a minimum of 150 square feet and a maximum of 850 square feet to maintain affordability.</li> </ul>	<p>Second unit amnesty program adopted, new standards for second units contained in Title 17. See Sect. 4.0 for new programs further encouraging and facilitating second units as a viable alternative housing type.</p>	

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>b. Reduce the minimum lot size requirement to allow second units on all lots zoned for single-family use.</p> <p>Provide for ministerial review of the second unit application at the staff level.</p>		
<p><b>H3.9: Encourage Site Planning Conducive to Physical Activity:</b></p> <p>Encourage design and site planning of residential developments that have features and amenities that support physical activities.</p>	<p>a. Establish clear design review criteria that can be applied in an objective manner to allow for attractively designed and sited detached second units.</p> <p>b. Reduce per unit fees in recognition of the small size and low impacts of second units.</p> <p>c. Allow higher height limits, in limited circumstances and consistent with design policies, to permit units over detached garages.</p> <p>d. Provide flexibility in the parking standard for second units depending on the neighborhood setting. At a maximum, require one off-street parking space per studio unit or per bedroom.</p> <p>Require owner occupancy of either one of the units.</p>	Same as above.	Programs H.AA and H.EE

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p><b>Prepare land use plans to facilitate multi-family infill housing:</b> While preparing the General Plan, identify areas meeting appropriate criteria for higher density zoning. Land use plans should consider the following:</p> <ul style="list-style-type: none"> <li>a. Use environmental assessments to expedite processing for infill and affordable housing developments.</li> <li>b. For key housing opportunity sites and areas, identify specific housing use and design objectives, and then incorporate fast track process provisions for subsequent projects that are consistent with the plan.</li> <li>c. Identify the mix of uses, minimum density standards, density bonuses, or a percentage of affordable units (sites should be rezoned at sufficient densities to create incentives for housing production within the 5-year timeframe of the housing element.)</li> </ul>		

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>d. Prepare area-wide or specific plan environmental baseline data and assessment of development impacts under maximum development scenarios as a way to assess area-wide impacts and required mitigation.</p> <p>e. Establish objectives and commitments in community and neighborhood plans so that project specific review can focus on site-specific issues such as design.</p> <p>f. Link plans to be consistent with CEQA exemptions and expedited review, consistent with the CEQA Section 15332.</p> <p>Provide clear guidelines and incentives for the development of housing in conformance with current State laws and to identify specific ways to streamline processing for subsequent development proposals.</p>		

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H4.1: Fair Share:</b> Promote a “fair share” of well designed affordable and varied housing in all neighborhoods throughout the City.</p>	<p><b>Establish inclusionary housing regulations.</b> Consistent with Housing Element policies H4.4 through H4.7, amend the Zoning Ordinance to include development of specific income targets and an “in-lieu” fee formula. Guidelines for development of an inclusionary program need to meet specific legal tests, but could include:</p> <ul style="list-style-type: none"> <li>a. Establishment of an in-lieu fee for residential projects involving fewer than seven units.</li> <li>b. All residential projects of seven or more units will be required to provide units at a rate of 20 percent affordable.</li> <li>c. Second units may be considered as partial or total fulfillment of the inclusionary requirement if the inclusionary requirements warrant site-specific conditions warrant such consideration. In such events, the total square footage of the development.</li> </ul>	<p>Provisions for inclusionary housing were incorporated into Condominium Conversion Ordinance adopted in August.</p>	<p>Program H.U</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>d. Some flexibility is desirable in implementing this program, depending on the size of the units (number of bedrooms), affordability, and consideration of very low, low, and moderate income housing need.</p> <p>e. Apply inclusionary requirements to licensed care facilities.</p> <p>Payment of in-lieu fees, or for fractional unit requirement, shall be at a rate adequate to create the affordable units off-site.</p>		
<p><b>H4.2: Protection of Existing Affordable Housing:</b></p> <p>Ensure that affordable housing provided through government subsidy programs, incentives and deed restrictions will remain affordable, and intervene when necessary to help preserve such housing.</p>	<p><b>Protect "at risk" units.</b> Identify assisted properties at risk of conversion to market rates and work with property owners and other parties to ensure that they are conserved as part of the City's affordable housing stock. Identify funding sources and timelines for action.</p>	<p>City and Redevelopment Agency actively monitor potentially at risk units. None preserved during 2003-2008 housing element period; 116 at risk units identified going forward (2009-2014).</p>	Program H.V

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H4.3: Density Bonuses and Other Incentives for Affordable and Special Needs Housing</b></p> <p><b>Developments:</b> Support and expand the use of density bonuses and other incentives to help achieve housing goals while ensuring that potential impacts are considered and mitigated.</p>	<p><b>Apply density bonus zoning and other incentives for affordable housing development.</b> Encourage an increase in the supply of well-designed housing for very low, low and moderate-income households. Provide the following possible financially equivalent incentives for developments containing a significant percentage of very low or low-income units on-site:</p> <ul style="list-style-type: none"> <li>a. Density Bonus. Offer density bonus of at least 25 percent and at least one other incentive consistent with the State Density Bonus Law (Government Code Section 65915), for developments that include at least: <ul style="list-style-type: none"> <li>(a) 20 percent of the units for lower-income households; or</li> <li>(b) 10 percent of the units for very low income households; or</li> </ul> </li> </ul>	<p>New density provisions adopted as per State Law, contained in Title 17.</p> <p>Remove program.</p>	

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>(c) 50 percent of the units for senior citizens. For example, establishing simplified density bonus provisions such as offering 2 bonus units for each unit affordable to low income (ownership) or very low income (rental).</p> <p>b. Fees. Update fee schedules to reduce and/or defer fees to the extent possible for affordable housing, and encourage other agencies to also do so. For example, waive or reduce fees on a sliding scale related to the levels of affordability, such as rebate of all planning and building fees for affordable units based on the proportion of such units in the project.</p>		

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>c. Processing. Establish "fast track" processing procedures, CEQA processing incentives, and other mechanisms to fit with funding requirements and to facilitate desirable affordable housing projects that have a significant portion of their total floor area committed to housing.</p> <p>d. Development Standards. Provide flexibility in applying development standards (e.g. parking, use of tandem parking or off-site parking alternatives, floor area, setback, height standards), subject to the type of housing, size and unit mix, location and overall design. Additional density, beyond the maximum permitted, may be appropriate where units are significantly smaller and would have less impacts that the market norm.</p>		

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>e. Coordination. Coordinate with service providers and other agencies as necessary to create opportunities for the development to be built. In concert with Program H.DD, Identify New Site for Multifamily Infill Housing When Opportunities Arise, annually mail information on incentives for affordable housing development, such as density bonuses, to private and non-profit developers who are active in San Benito County. On an on-going base, provide such information at the planning counter and by request to all interested parties.</p> <p>f. Redevelopment Funds. Use Redevelopment Funds as appropriate to achieve greater affordability.</p>		

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>Adopt Density Bonus Ordinance by December, 2006. In concert with Program H3.F, complete feasibility study by January, 2008 and implement recommended impact and planning fees by June, 2008. Develop incentive package for affordable housing development, including fast track processing and flexible development standards, by October, 2008 and conduct information campaign immediately thereafter. 2004-2009.</p> <p><b>Facilitate development at key housing sites:</b> Facilitate the construction of affordable housing at key sites to meet the City's "fair share" of the regional housing need for lower income households. Ensure that local affordable housing developments will be competitively positioned to access affordable housing finance sources (such as tax credits and tax-exempt bonds). Facilitate the development or rehabilitation of affordable housing by using redevelopment set-aside funds to assist in any on and off-site mitigation that may be required or to provide gap financing.</p>		
		Ongoing implementation.	Program H.AA

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H4.4: Inclusionary Housing – Overall Approach:</b> To increase affordable housing construction, require residential developments involving seven or more units to provide a percentage of units affordable to very low, low and moderate income households. (The units provided through this policy are intended for permanent occupancy and must be deed restricted, including, but not limited to single family housing, multi-family housing, condominiums, townhouses, stock cooperatives or land subdivisions.)</p>	<p><b>Establish inclusionary housing regulations.</b> Consistent with Housing Element policies H4.4 through H4.7, amend the Zoning Ordinance to include development of specific income targets and an “in-lieu” fee formula. Guidelines for development of an inclusionary program need to meet specific legal tests, but could include:</p> <ul style="list-style-type: none"> <li>a. Establishment of an in-lieu fee for residential projects involving fewer than seven units.</li> <li>b. All residential projects of seven or more units will be required to provide units at a rate of 20 percent affordable.</li> <li>c. Second units may be considered as partial or total fulfillment of the inclusionary requirement if the inclusionary requirements warrant site-specific conditions warrant such consideration. In such events, the total square footage of the development.</li> </ul>	<p>Same as above related to inclusionary housing regulations.</p>	<p>Program H.U</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p>d. Some flexibility is desirable in implementing this program, depending on the size of the units (number of bedrooms), affordability, and consideration of very low, low, and moderate income housing need.</p> <p>e. Apply inclusionary requirements to licensed care facilities.</p> <p>Payment of in-lieu fees, or for fractional unit requirement, shall be at a rate adequate to create the affordable units off-site.</p>		

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H4.5: Options for Meeting Inclusionary Requirements:</b> Establish the primary intent of the City's inclusionary requirement as the construction of new units on-site, with the focus being multi-family housing developments with deed restrictions to support long periods of affordability or the provision of second units within single-family developments. Establish the second priority for meeting inclusionary requirements as the construction of units off-site or the transfer of land and sufficient cash to develop the number of affordable units required nearby. If these options are not practical, then consider other alternatives of equal value such as in-lieu fees or rehabilitation of existing units.</p>	<p><b>Participate in the creation of nonprofit affordable housing organization.</b> The City will facilitate the creation of a local nonprofit entity to assist in achieving the City's housing goals and implementing programs, and to undertake other implementation actions.</p>	<p>The City of Hollister and San Benito County coordinated to establish hire and share funding for a Housing Coordinator that was filled in 2008.</p>	<p>Programs H.U and H.AA</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<b>Implement plan to expend funding resources.</b> Establish specific uses of housing funds and/or land donations generated through the inclusionary housing program, and designate the Redevelopment Housing Coordinator position to manage the program. Establish a plan by January 2008 and update annually thereafter.	City approved three affordable rental housing projects that require deed restrictions to support long-term affordability. The City Redevelopment Agency contributed funds for two of the projects (Vista Meadows and Westside Apartments).  A Housing Coordinator was hired late in program period. The City will continue with efforts to realize more affordable housing.	Programs H.U and H.AA
<b>H4.6: Inclusionary Housing</b> – <b>Income Levels:</b> Use inclusionary zoning requirements to target very low or low income rental units and low or moderate income ownership units.	<b>Participate in the creation of a nonprofit affordable housing organization.</b> The City will facilitate the creation of a local nonprofit entity to assist in achieving the City's housing goals and implementing programs, and to undertake other implementation actions.	Program not pursued. Most non-profits in the area are not sustainable due to lack of financial resources. Financial resources could be better allocated with partnerships with existing non-profits and new Housing Coordinator. Program removed.	

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H4.7: Payment of "In-Lieu" Fees:</b> Accept payment of in-lieu fees only be when it is determined that transfer of land and/or dedication of units would provide fewer affordable housing units than could be obtained by the expenditure of "in-lieu" fees of affordable housing development. Calculate fees on the basis of the cost for unit development (land and improvements).</p>	<p><b>Implement plan to expend funding resources.</b> Establish specific uses of housing funds and/or land donations generated through the inclusionary housing program, and designate the Redevelopment Housing Coordinator position to manage the program. Establish a plan by January 2008 and update annually thereafter.</p>	<p>Adoption of in-lieu fees dependant on Council direction on inclusionary housing.</p>	<p>Program H.U</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H4.8: Long-Term Housing Affordability:</b> Establish resale controls and rent and income restrictions to ensure that affordable housing provided through incentives and/or inclusionary programs and as a condition of development approval remains affordable over time to the income group for which it is intended. Implement long-term or in perpetuity agreements and/or deed restrictions with developers to govern the affordability in such units. Provide assurance through recorded agreements and monitor their continuing affordability.</p>	<p><b>Protect “at risk” units.</b> Identify assisted properties at risk of conversion to market rates and work with property owners and other parties to ensure that they are conserved as part of the City’s affordable housing stock. Identify funding sources and timelines for action.</p>	<p>The City will continue to monitor for possible at-risk units.</p>	<p>Program H.V</p>
	<p><b>Establish resale controls and rent and income limits.</b> Through the City’s Redevelopment Agency, implement resale regulations for very low, low and moderate-income units and assure that these units remain at an affordable price level. Identify an appropriate nonprofit or government agency to manage affordable rental housing created through the inclusionary program.</p>	<p>The Hollister Development Agency annually adjusts resale controls and rent and income limits based on annual adjustments to the most recent Official State Income Limits.</p>	

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H4.9: City Actions to Achieve Affordable Housing Goals:</b> Utilize the unique powers of the City's Redevelopment Agency and other means to assist in achieving the City's housing goals, especially housing for lower income households.</p>	<p><b>Facilitate development at key housing sites.</b> Facilitate the construction of affordable housing at key sites to meet the City's "fair share" of the regional housing need for lower income households. Ensure that local affordable housing developments will be competitively positioned to access affordable housing finance sources (such as tax credits and tax-exempt bonds). Facilitate the development or rehabilitation of affordable housing by using redevelopment set-aside funds to assist in any on-and off-site mitigation that may be required or to provide gap financing.</p>	<p>Continuous and ongoing.</p>	<p>Program H. AA</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H5.1: Special Needs Groups:</b> Actively promote the development and rehabilitation of housing to meet the needs of special needs groups, including the needs of seniors, people with disabilities, farmworkers, the homeless, people with HIV/AIDS and other illnesses, people in need of mental health care, single parent families, large families, and other persons identified as having special housing needs.</p>	<p><b>Monitor special needs housing.</b> Monitor special needs housing, including the following:</p> <ul style="list-style-type: none"> <li>a. Smaller, affordable residential units, especially for lower income single-person households.</li> <li>b. Affordable senior housing to meet the expected needs of an aging population, including assisted housing and board and care (licensed facilities).</li> <li>c. Affordable units with three or more bedrooms for large family households.</li> <li>d. Affordable housing that can be adapted for use by people with disabilities (specific standards are established in California Title 24 Accessibility Regulations for new and rehabilitation projects).</li> </ul>	Continuous and ongoing.	Program H.F.F

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H5.2: Provision of Affordable Housing for Special Needs Households:</b> Provide opportunities through affordable housing programs and incentives for a variety of affordable housing to be constructed or acquired for special needs groups, including assisted housing and licensed board and care facilities.</p>	<p><b>Monitor special needs housing.</b> Monitor special needs housing, including the following:</p> <ul style="list-style-type: none"> <li>a. Smaller, affordable residential units, especially for lower income single-person households.</li> <li>b. Affordable senior housing to meet the expected needs of an aging population, including assisted housing and board and care (licensed facilities).</li> <li>c. Affordable units with three or more bedrooms for large family households.</li> </ul> <p>Affordable housing that can be adapted for use by people with disabilities (specific standards are established in California Title 24 Accessibility Regulations for new and rehabilitation projects).</p>	<p>Same as above. The City will host an annual community form on housing issues.</p>	<p>Programs H.G and H.FF</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<p><b>H5.3: Density Bonuses for Special Needs Housing:</b> Given the potential for less parking and traffic generation, use density bonuses to assist in meeting special housing needs for lower income elderly and persons with disabilities.</p>	<p><b>Monitor special needs housing.</b> Monitor special needs housing, including the following:</p> <ul style="list-style-type: none"> <li>a. Smaller, affordable residential units, especially for lower income single-person households.</li> <li>b. Affordable senior housing to meet the expected needs of an aging population, including assisted housing and board and care (licensed facilities).</li> <li>c. Affordable units with three or more bedrooms for large family households.</li> </ul> <p>Affordable housing that can be adapted for use by people with disabilities (specific standards are established in California Title 24 Accessibility Regulations for new and rehabilitation projects).</p>	<p>Continuous and ongoing. The City will monitor special needs housing in relation to Chapter 17.04 Article 2 of the Hollister Municipal Code.</p>	<p>Programs H.G and H.I.FF</p>

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<b>H5.4: Group Residential Care Facilities:</b> Support the provision of residential care facilities for special needs persons provided they are based on suitable standards and help meet needs. Allow small facilities in all residential areas, while larger facilities should be permitted by use permit where the use would be compatible with the surrounding area.	<b>Modify residential care facility zoning.</b> Establish Residential Care Facility (RCF) zoning and apply inclusionary requirements to all licensed facilities. The zoning ordinance shall be amended to permit group residential in appropriate zoning designations per the general plan, review of parking standards, and review of other requirements for these uses.	New compliant zoning regulations adopted as part of Title 17, (Table 17.04-1, page 45). Remove Program.	
<b>H5.5: Emergency Housing Assistance for the Homeless:</b> Participate and allocate funds, as appropriate, for County and non-profit programs providing emergency shelter and related counseling services.	<b>Provide emergency housing assistance.</b> Participate and allocate funds, as appropriate, for nonprofit programs providing emergency shelter and related counseling services.	At this time, the will not be providing direct housing assistance. Remove Program	-

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
<b>H5.6: Farmworker Housing:</b> Continue to work with the County to find solutions to farmworker housing needs and support efforts and provide assistance to develop appropriate solutions to providing temporary or permanent affordable farmworker housing.	<b>Establish zoning for farmworker and ranch hand housing.</b> Facilitate the approval of Farmworker and Ranch Hand housing by identifying where it is allowed, establishing applicable zoning regulations and standards, and allowing this type of housing without rezoning.	Implementation will be addressed in this housing element.	Program H.R
<b>H5.7: Reasonable Accommodation for People With Disabilities:</b> Ensure equal access to housing for people with disabilities and provide reasonable accommodation for people with disabilities in the City's rules, policies, practices and procedures related to zoning, permit processing and building codes.	<b>Modify residential care facility zoning.</b> Establish Residential Care Facility (RCF) zoning and apply inclusionary requirements to all licensed facilities. The zoning ordinance shall be amended to permit group residential in appropriate zoning designations per the general plan, review of parking standards, and review of other requirements for these uses.	New compliant zoning regulations adopted as part of Title 17, (Table 17.04-1, page 45). Remove Program.	

HOUSING ELEM. GOAL	HOUSING ELEM. PROGRAM	STATUS/PROGRESS	2009 DRAFT HOUSING ELEMENT PROGRAM
	<p><b>Adopt a reasonable accommodation ordinance.</b> Adopt an ordinance that includes a procedure for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws, rules, policies, practices and procedures of the City.</p> <p><b>Respond to requests for reasonable accommodation and disseminate information.</b> Designate an ADA Coordinator to coordinate and carry out the City's compliance with the non-discrimination requirements of Title IIA of the Americans with Disabilities Act (ADA). Direct questions, concerns, complaints, and requests regarding accessibility for people with disabilities to the City's ADA Coordinator. Provide information to the public regarding reasonable accommodations related to zoning, permit processing and building codes on the City's website and in City handouts.</p>	<p>Reasonable Accommodation Policy adopted during prior housing element period. Remove Program.</p> <p>Addressed in new reasonable accommodation policy.</p>	

### 1.5.c. APPROPRIATENESS OF GOALS, OBJECTIVES AND POLICIES

The City of Hollister has made progress in effectively carrying out programs and policies of the last Housing Element, including addressing the provision of housing for all income segments of the population. A significant portion of this success is measured by the City's adoption of a revised Zoning Ordinance and Zoning Map. The City has also adopted a Growth Management rating scale. Some of the goals were not met due to market forces and the City's restricted ability to approve units due to a sewer treatment moratorium. The appropriateness of the goals has not been diminished however.

The City is addressing these issues and is in the process of reviewing and reassessing the City's housing needs, preparing development standards, and implementing programs utilizing CDBG and Redevelopment Agency funds that target the homeless population and other special needs segments of the population.

The City of Hollister has identified goals and implementation programs to provide for affordable housing programs in order to create more opportunities for multifamily dwellings and to address fair housing needs. Many issues identified in the previous Housing Element have been addressed, so the City will be positioned to manage future growth. However, several areas of concern have been identified and will be addressed in the "Policy and Programs" section, as well as discussed throughout this document.

**TABLE 3**

#### **HOUSING CONSTRUCTION IN HOLLISTER**

<i>Year Structure Built</i>	<b>Number</b>	<b>Percentage</b>	<b>Cumulative Total</b>
1939 or prior	744	7.0	744
1940-1959	979	9.2	1,723
1960-1969	925	8.7	2,648
1970-1979	1,566	14.8	4,214
1980-1989	2,001	18.9	6,215
1990-1999	3,739	35.3	9,954
2000-2008	648	6.1	10,602

Source: 2000 Census, SOCDS database

**TABLE 4*****HOUSING DEMOLITIONS, 2002-2009***

<i>Year</i>	<b>Total Units</b>
2002	0
2003	*2
2004	0
2005	0
2006	0
2007	0
2008	**4
<b>Total</b>	<b>6</b>
Source: Hollister Planning and Building, * is replacement due to demo or moving the residence; ** is code enforcement (1), disrepair (2), and one old farm house on industrial land	

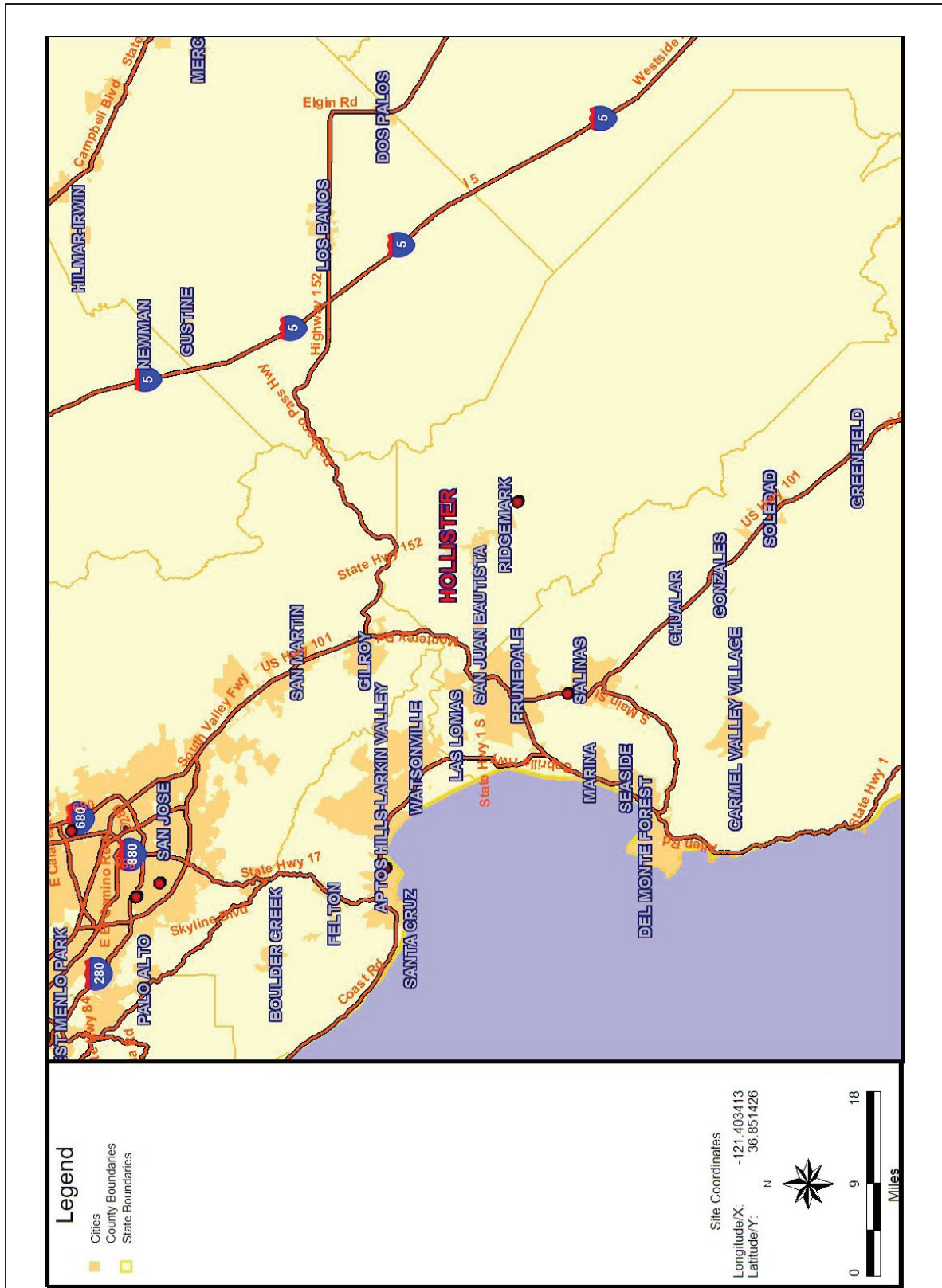
**1.6 COMMUNITY PROFILE**

There are two cities in San Benito County, Hollister and San Juan Bautista. The City of Hollister is the County Seat and population center in San Benito County, with 64.1 percent of the county population. San Benito County is situated in the Central Coast region of California, about 100 miles southeast of San Francisco, 40 miles east of Monterey and 300 miles north of Los Angeles. While agriculture continues to be the predominant economic activity in the county, development pressure is changing the rural character of the area, leading to a decreasing amount of land devoted to agricultural activities and more land being subject to urban development. The community's attitude continues to change toward development. Hollister continues to operate under a growth control cap, adopted in 2002 as a ballot measure, to manage and more actively direct growth in the City.

Hollister is a general law City that operates under the Council/Manager form of government. City departments include: Finance, Development Services, Airport, Animal Control, Traffic, Engineering, Community Services, Fire Department, Police Department, Recreation Department, and Human Resources. According to the California Department of Finance, the City has an estimated population of 37,051, as of 2008.

Portions of Hollister are located within the boundary of the City of Hollister Redevelopment Agency. Most of the existing and developable residential lands are within the boundaries of the Redevelopment Project Area (see Exhibit 3).

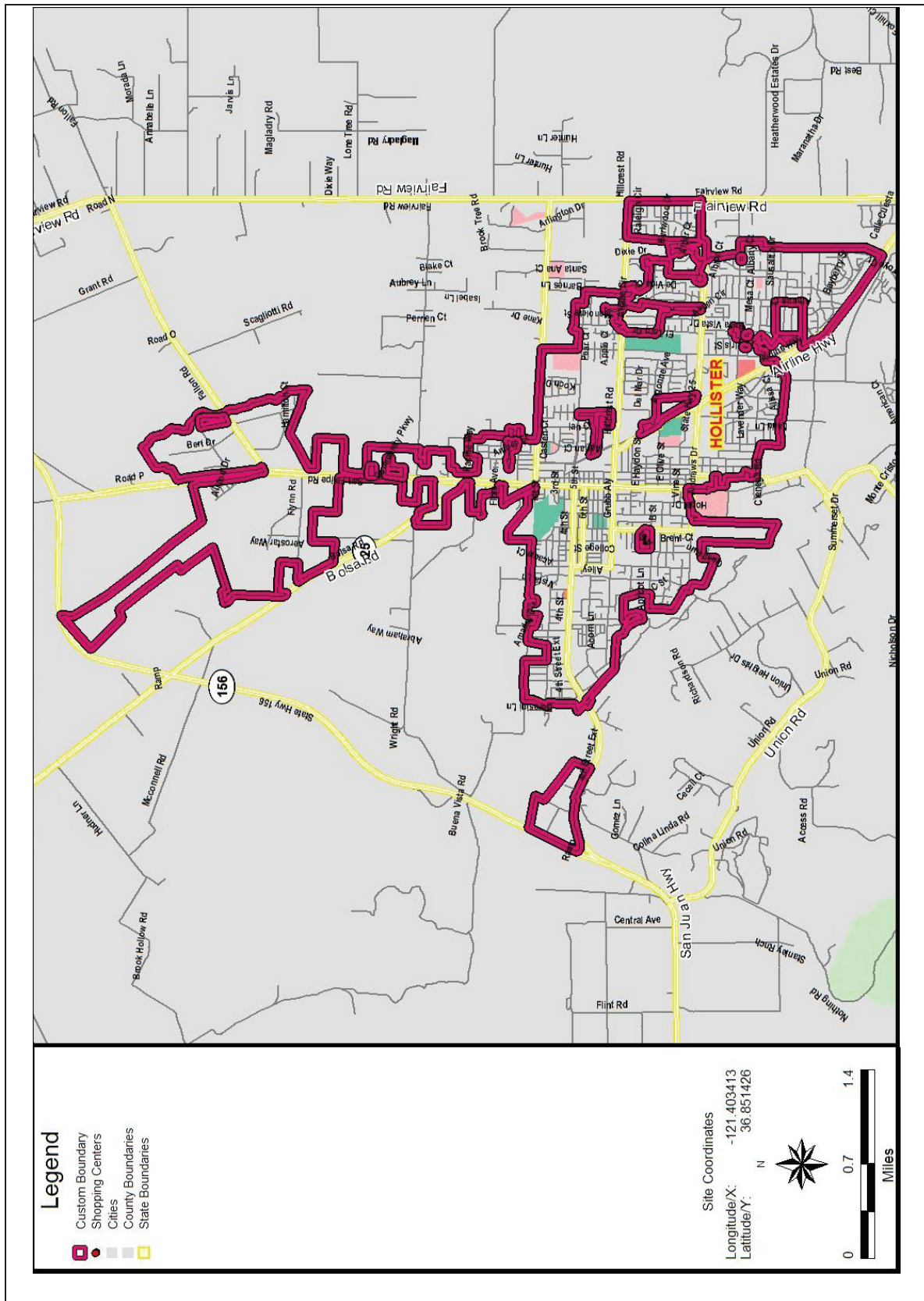
## EXHIBIT 1 - REGIONAL LOCATION





**EXHIBIT 2 - CITY OF HOLLISTER**





**EXHIBIT 3 - CITY OF HOLLISTER REDEVELOPMENT AREA**

## SECTION 2.0

### EXISTING CONDITIONS AND DEMOGRAPHIC DATA

The purpose of this chapter is to summarize and analyze the existing housing conditions in the City of Hollister. It consists of two major sections: Section 2.1 - Summary of Existing Conditions - an analysis of population trends, employment trends, household trends and special needs groups, and Section 2.2 - Inventory of Resources - an analysis of existing housing characteristics, housing conditions, vacancy trends, housing costs and availability, "at-risk housing" and suitable lands for future development.

#### **2.1 SUMMARY OF EXISTING CONDITIONS**

In order to assess the present and future housing needs of the City of Hollister, it is important to analyze demographic variables, such as population, employment, and households. This section utilizes sources, such as the 1980, 1990, and 2000 U.S. Census, State Department of Finance (Demographic Research Unit), the Association of Monterey Bay Area Governments (AMBAG) and AnySite, a demographic data provider. See Appendix B-B for a complete list of data sources.

Between 1990 and 2000 Hollister's population increased by nearly 80.0 percent, from 19,212 residents in 1990 to 34,314 in 2000, at an annualized growth rate of 6.0 percent. During that same time period, the number of housing units increased by nearly 60 percent. Much of the increase in the population can be attributed to an influx of people moving from surrounding counties, particularly Santa Clara County, where housing prices and median income are significantly higher.

Hollister experienced a housing boom in the 1990s that resulted in a significant amount of new single family development. About 80.0 percent of all the homes in Hollister are single family houses.

##### **2.1.a. POPULATION TRENDS**

The City of Hollister is part of the Association of Monterey Bay Area Governments (AMBAG) for Regional Planning issues, including population and employment forecasts. AMBAG is comprised of 17 cities and the unincorporated areas of four Counties. As shown in Table 5, between 1990 and 2008, San Benito County's population increased by 57.5 percent or 21,087 persons. In 2008, the County had an estimated population of 57,784, which represents an increase of 4,550 persons since 2000. Five counties surround San Benito County: Santa Clara, Fresno, Monterey, Santa Cruz, and Merced. Of these counties, San Benito County is the fifth most populated, but was the fastest growing county between 1990 and 2008. Only two incorporated cities are located in San Benito County, Hollister and San Juan Bautista

**TABLE 5**  
**POPULATION TRENDS - SAN BENITO AND NEIGHBORING COUNTIES**

County	1990	2000	2008	Change (1990-2008)	
				Number	Percent
<b>San Benito</b>	<b>36,697</b>	<b>53,234</b>	<b>57,784</b>	<b>21,087</b>	<b>57.5%</b>
Santa Clara	1,497,577	1,682,585	1,837,075	339,498	22.7%
Fresno	667,490	799,407	931,098	263,608	39.5%
Monterey	355,660	401,762	428,549	72,889	20.5%
Santa Cruz	229,734	255,602	266,519	36,785	16.0%
Merced	178,403	210,554	255,250	78,847	43.1%
State of California	29,760,021	33,871,648	38,049,462	8,289,441	27.8%

Source: 1990 and 2000 Census; 2008 Department of Finance

The City of Hollister is first in population growth among cities in this four county region. Between 1990 and 2008, Hollister's population increased by 92.8 percent growth rate, as shown in Table 6. This increase can be attributed to the increasing demand for housing due to the shortage of housing in the Bay Area, the lack of affordable housing in the Bay Area and the willingness of commuters to move further from their place of employment, (see Table 12, Employment by Commuting Patterns).

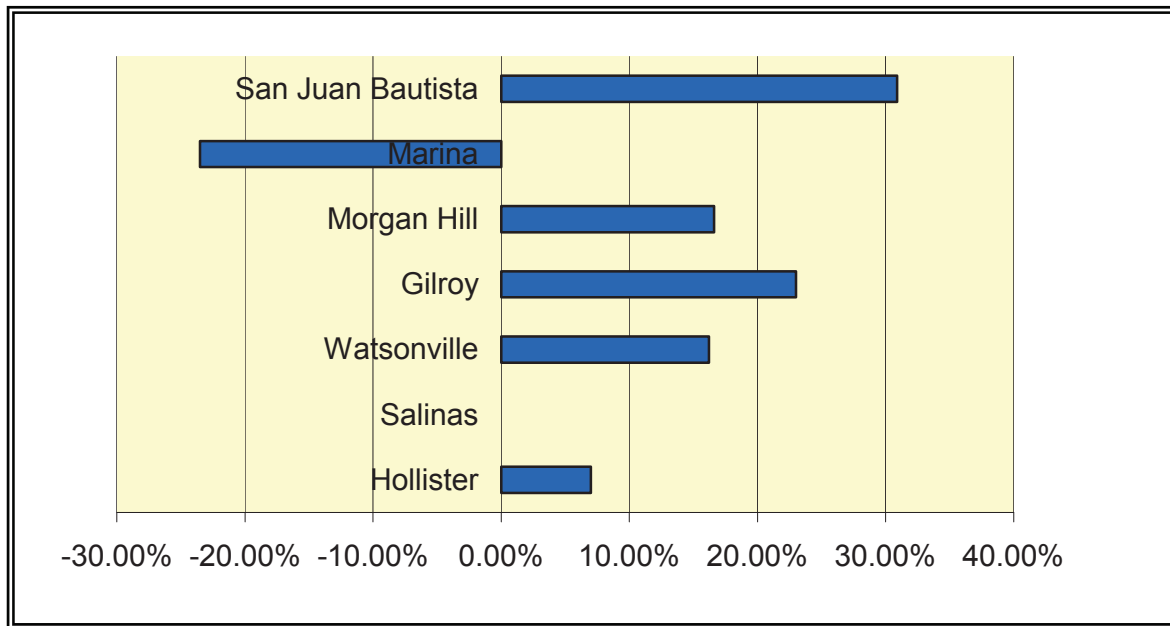
**TABLE 6**  
**POPULATION TRENDS - NEIGHBORING CITIES AND COMMUNITIES**

City	1990	2000	2008	Change (1990-2008)	
				Number	Percent
<b>Hollister</b>	<b>19,212</b>	<b>34,614</b>	<b>37,051</b>	<b>17,839</b>	<b>92.8%</b>
Salinas	108,777	150,724	150,898	42,121	38.7%
Watsonville	31,099	44,475	51,703	20,604	66.2%
Gilroy	31,487	41,587	51,173	19,686	62.5%
Morgan Hill	23,928	33,635	39,218	15,290	63.9%
Marina	26,436	25,052	19,171	-6,719	-25.4%
San Juan Bautista	1,571	1,431	1,874	303	19.3%
State of California	29,760,021	33,871,648	38,049,462	8,289,441	27.8%

Source: 1990 and 2000 Census; 2008 Department of Finance

Between 2000 and 2008 the City of Hollister experienced the fifth largest growth of the cities in the four county region (see Chart 1).

**CHART 1**  
**ANNUAL GROWTH 2000-2008**



Source: 2000 Census; 2008 Department of Finance

Over the past 28 years, the population in the City of Hollister increased by 219.6 percent. Currently, the City's population is estimated at 37,051, as shown in Table 7. Population projections indicate that Hollister will experience slight growth through 2013 and reach a projected population of 38,574 by that year.

**TABLE 7**  
**POPULATION TRENDS - CITY OF HOLLISTER**

Year	Population	Change	% Change	Annual % Change
1980	11,592			
1990	19,212	7,620	65.7%	6.6%
2000	34,614	15,402	80.2%	8.0%
2008	37,051	2,437	7.0%	0.9%
2013	38,574	1,523	4.1%	0.8%

Source: 1980, 1990 and 2000 Census; 2008 Department of Finance

Between 2000 and 2008, the median age in Hollister increased from 28.2 to 29.0 years of age. The largest age group is comprised of persons between the ages 6-13, representing 14.0 percent of the population in 2008. Age groups of 45 and older showed the most significant increases, indicating a growing aging population.

**TABLE 8**  
**POPULATION BY AGE TRENDS - CITY OF HOLLISTER**

Age Cohorts	2000		2008		Change	
	Number	Percent	Number	Percent	Number	Percent
0 - 5	4,084	11.8%	3,964	10.7%	-120	-2.9%
6 - 13	5,400	15.6%	5,187	14.0%	-213	-3.9%
14 - 17	2,388	6.9%	2,519	6.8%	131	5.5%
18 - 20	1,523	4.4%	1,815	4.9%	292	19.2%
21 - 24	1,765	5.1%	2,371	6.4%	606	34.3%
25 - 29	2,596	7.5%	2,631	7.1%	35	1.3%
30 - 34	2,977	8.6%	2,705	7.3%	-272	-9.1%
35 - 39	3,184	9.2%	2,779	7.5%	-405	-12.7%
40 - 44	2,769	8.0%	2,779	7.5%	10	0.4%
45 - 49	2,146	6.2%	2,631	7.1%	485	22.6%
50 - 54	1,627	4.7%	2,001	5.4%	374	22.9%
55 - 59	1,142	3.3%	1,519	4.1%	377	33.0%
60 - 64	762	2.2%	1,149	3.1%	387	50.8%
65 - 74	1,315	3.8%	1,704	4.6%	389	29.6%
75 - 84	692	2.1%	889	2.4%	197	28.5%
85+	242	0.7%	408	1.1%	166	68.6%
Total	34,614	100.0%	37,051	100.0%	2,437	7.0%
Median Age	28.2		29.0		0.8	

Source: 2000 US Census, 2007 AnySite

According to the 2000 Census, persons who categorized themselves as White represented 38.2 percent of the Hollister population and 45.7 percent of the San Benito County population. In the City, 54.9 percent are of Hispanic origin.

**TABLE 9**  
**POPULATION BY RACE AND ETHNICITY - 2000**

City of Hollister			San Benito County	
Number	Percent	Category	Number	Percent
13,233	38.2%	White	24,338	45.7%
433	1.2%	Black	502	0.9%
153	0.4%	Am. Indian	265	0.5%
816	2.4%	Asian/Pac. Isl.	1,101	2.1%
85	0.2%	Other	147	0.3%
902	2.7%	Two or more Races	1,301	2.4%
18,992	54.9%	Hispanic Origin	25,580	48.1%

Source: 2000 Census

### 2.1.b. EMPLOYMENT TRENDS

Historically, management/professional has been the largest industry type in the City of Hollister, as shown in Table 10. According to the 2007 AnySite, this industry comprises 28.9 percent of the labor force in 2008. The next largest industries in 2008 were sales/office and service occupations.

**TABLE 10**  
**EMPLOYMENT BY INDUSTRY - CITY OF HOLLISTER**

Industry Type	2000		2008	
	Number	Percent	Number	Percent
Farming/Fishing/Forestry	557	3.7%	616	3.6%
Management/Professional/Related	4,317	28.7%	4,943	28.9%
Service Occupations	2,392	15.9%	2,736	16.0%
Sales/Office	3,776	25.1%	4,293	25.1%
Construction/Extraction/Maint.	1,850	12.3%	2,121	12.4%
Production/Transportation/Material Moving	2,151	14.3%	2,394	14.0%
Total	15,043	100.0%	17,103	100.0%

Source: 2007 AnySite

The top employers in the Hollister include manufacturing, retail trade, government and medical. The top employers in San Benito County include agriculture, agricultural processing.

**TABLE 11**  
**HOLLISTER AREA MAJOR EMPLOYERS**

<b>Employer</b>	<b>Number of Employees</b>
<b>CITY OF HOLLISTER</b>	
Albertsons	N/A
American Electrical Service	250-499
Cedar Valley Shingle Systems	142
Cimino's Cabinet Doors Inc.	100-249
City of Hollister	138
Corbin Inc.	100-249
Hazel Hawkins Memorial Hospital	250-499
Hollister School District	500
M C Electronics	100-249
Milgard Manufacturing Inc.	365
Nob Hill Foods Inc.	120
R & R Labor	500-999
Safeway	50-99
San Benito Foods	100-249
San Benito High School	250-499
Target	82
West Marine	100-249
<b>SAN BENITO COUNTY</b>	
El Modeno Gardens Inc.	100-249
Jesus Quintero Inc.	10-19
Pacific Scientific Energetic	250-499
Ridgemark Golf & Country Club	100-249
Tanimura & Antle	100-249

Source: City of Hollister

Over the last two decades there has been an influx of people moving from outside areas into Hollister. Much of the increase in population came from Santa Clara County, where housing prices and median income are significantly higher. As a result, a dramatic change in commuting patterns has occurred. In 2000, over half of all Hollister residents were commuting to areas outside of San Benito County for employment. Since 1990, the number of workers living in San Benito County, and commuting to Santa Clara County, has increased over 114 percent, according to the Metropolitan Transportation Commission.

According to the 1990 Census 65.2 percent of those living in the County of San Benito worked there as well, as shown in Table 12. This number decreased in 2000 to 50.3 percent. In addition, the proportion of persons commuting over 45 minutes to work increased by 14.2 percent.

**TABLE 12**  
**EMPLOYMENT BY COMMUTING PATTERNS (1990-2000) -**  
**COUNTY OF SAN BENITO**

Commuting Pattern*	1990		2000	
	Number	Percent	Number	Percent
Worked in San Benito County	10,772	65.2%	12,750	50.3%
Worked outside San Benito County	5,729	34.8%	12,600	49.7%
<b>Commute Time to Work</b>				
0-15 Minutes	6,440	40.3%	7,396	33.0%
15-30 Minutes	4,614	28.9%	4,595	20.5%
30-45 Minutes	2,208	13.8%	3,430	15.3%
Over 45 Minutes	2,720	17.0%	6,987	31.2%

Source: 1990, 2000 Census \* numbers are mutually exclusive

### **2.1.c. HOUSEHOLD TRENDS**

The change in the number of households in a city is one of the prime determinants of the demand for housing. Households can form even in periods of static population growth as adult children leave home, through divorce, and with the aging of the population.

The number of persons per household is an important indicator of the relationship between population growth and household formation. For example, if the number of persons per household is decreasing with steady population growth, then households are forming at a faster rate than population growth. Conversely, if population were growing faster than households, then the persons per household would increase.

Between 1990 and 2008, persons per household fluctuated for the City of Hollister and San Benito County. Specifically, the City of Hollister rose from 3.2 persons per household to 3.52 persons per household, in 2000 and has then risen to 3.6 in 2008.

The number of households in San Benito County increased by 39.1 percent between 1990 and 2000, which is less than the rate of population growth (45.1 percent) in the same time period. According to the 1990 Census, 11,419 households resided in the County. By 2000, an estimated 15,880 households lived in the County. San Benito County households are projected to continue increasing over the period of 2008-2013 by approximately 1.3 percent annually. Between 1990 and 2000, the City of Hollister increased by 3,228 households or 49.9 percent, a total of 9,694 households. The City is projected to increase over the next five years and reach 11,140 households by 2013. The projected increase of 556 households represents a 5.2 percent change since 2008.

**TABLE 13**  
**HOUSEHOLD FORMATION TRENDS**

<b>Year</b>	<b>Households</b>	<b>Change</b>	<b>% Change</b>	<b>Annual % Change</b>
<b>CITY OF HOLLISTER</b>				
1980	3,238			
1990	6,466	3,228	99.7%	9.9%
2000	9,694	3,228	49.9%	5.0%
2008	10,584	890	9.2%	1.1%
2013	11,140	556	5.2%	1.0%
<b>SAN BENITO COUNTY</b>				
1980	8,922			
1990	11,419	2,497	27.9%	2.8%
2000	15,880	4,461	39.1%	3.9%
2008	17,789	1,909	12.0%	1.5%
2013	18,982	1,193	6.7%	1.3%

Source: 1980, 1990 and 2000 US Census; 2008 California Department of Finance

Household size is also an important factor in determining the size of housing units needed within a jurisdiction. In the City of Hollister, “large” households containing five or more persons represented 25.7 percent of all households in 2000, about 10.9 percent less than the “small” households with one or two persons. Households with one person represented the fastest growing household size between 2000 and 2008, increasing from 13.0 percent in 2000 to 18.7 percent in 2008. However, 54.0 percent of the households contained 3 or more persons, increasing to 56.1 percent in 2013.

**TABLE 14  
HOUSEHOLD SIZE TRENDS**

Household Size	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
<b>CITY OF HOLLISTER</b>						
1 Person	1,260	13.0%	2,147	18.7%	2,167	17.2%
2 Person	2,259	23.3%	2,974	25.9%	3,364	26.7%
3-4 Person	3,684	38.0%	3,903	34.0%	4,271	33.9%
5+ Person	2,491	25.7%	2,457	21.4%	2,797	22.2%
<b>SAN BENITO COUNTY</b>						
1 Person	2,239	14.1%	3,917	20.7%	3,998	19.2%
2 Person	4,303	27.1%	5,317	28.1%	6,038	29.0%
3-4 Person	5,717	36.0%	6,074	32.1%	6,684	32.1%
5+ Person	3,621	22.8%	3,613	19.1%	4,102	19.7%

Source: 2000 Census, 2007 AnySite

Tenure, or the ratio between homeowner and renter households, can be affected by many factors, such as: housing cost (interest rates, economics, land supply, and development constraints), housing type, housing availability, job availability, and consumer preference.

During the period 1990 to 2000, the proportion of renter households decreased from 44.7 percent of the households to 33.6 percent in the City of Hollister. The percentage of renter households further decreased to 30.8 percent in 2008. This decrease in the percentage of renter households can be attributed to the growth of single-family homes built over the last 10 years (see Table 15).

In comparison, San Benito County has a slightly lower proportion of renter households. For example, in 2008, 30.8 percent of the Hollister households were renters, while 29.8 percent of the San Benito County households were renters, a difference of 1.0 percent.

**TABLE 15  
TENURE BY HOUSEHOLDS**

City of Hollister			San Benito County	
Number	Percent		Number	Percent
<b>1990</b>				
3,576	55.3%	Owners	6,977	61.1%
2,890	44.7%	Renters	4,442	38.9%
<b>2000</b>				
6,437	66.4%	Owners	10,814	68.1%
3,257	33.6%	Renters	5,066	31.9%
<b>2008</b>				
7,945	69.2%	Owners	13,282	70.2%
3,536	30.8%	Renters	5,639	29.8%
<b>2013</b>				
8,895	70.6%	Owners	14,867	71.4%
3,704	29.4%	Renters	5,955	28.6%

Source: 1990 and 2000 US Census, 2007 AnySite, 2008 California Department of Finance

According to the 2000 Census, the County of San Benito median household income was higher than most of the surrounding counties, with the exception of Santa Clara County. . All counties showed an increase in the median income between 1990 and 2000. The median income in San Benito and Santa Clara Counties increased by more than \$20,000. This reflects the increased population of commuters from the Bay Area, which has a higher median income.

**TABLE 16**  
**MEDIAN HOUSEHOLD INCOME TRENDS - SURROUNDING COUNTIES -**

Jurisdiction		
	1989	1999
<b>San Benito</b>	\$36,473	\$57,461
Fresno	\$26,377	\$34,725
Merced	\$25,548	\$35,352
Monterey	\$33,520	\$48,305
Santa Clara	\$48,115	\$74,335
Santa Cruz	\$37,112	\$53,998

Source: 2000 Census

As shown in Table 17, the block groups that saw a significant increase in housing units, 100 or more, had a higher median income. This trend reflects the influx of higher paid commuters from the Bay Area increasing the number of housing units built.

**TABLE 17**  
**MEDIAN INCOME BY CENSUS TRACT AND BLOCK GROUP - CITY OF HOLLISTER**

<b>Census Tract, Block Number</b>	<b>Housing Units Built 1980-1990</b>	<b>Housing Units Built 1990-1999</b>	<b>Median Income</b>
<b>CITY OF HOLLISTER</b>			\$56,104
Tract 3, Block 1 <sup>1</sup>	34	139	\$56,591
Tract 3, Block 2 <sup>2</sup>	6	3	\$38,750
Tract 3, Block 3	177	77	\$44,730
Tract 4, Block 1	10	23	\$42,000
Tract 4, Block 2	19	11	\$38,750
Tract 4, Block 3	13	19	\$39,063
Tract 4, Block 4	71	72	\$51,200
Tract 5, Block 1	19	153 <sup>3</sup>	\$35,626
Tract 5, Block 2 <sup>4</sup>	381	634	\$60,022
Tract 5, Block 3 <sup>5</sup>	418	968	\$77,371
Tract 6, Block 1	171	97	\$60,000
Tract 6, Block 2 <sup>6</sup>	63	73	\$47,071
Tract 6, Block 3 <sup>7</sup>	283	624	\$77,952
Tract 7, Block 1 *	230	579	\$54,300
Tract 7, Block 2 *	162	293	\$49,038
*Census Block is located in the City of Hollister and rural areas of unincorporated San Benito County.			

<sup>1</sup> Block includes unincorporated farmland with some rural housing

<sup>2</sup> Block includes unincorporated land with orchards, row crops and some rural housing

<sup>3</sup> Affordable housing project constructed in the block group

<sup>4</sup> Block includes some unincorporated homes. Most residences were constructed in the 1950s, 1960s, and 1970s

<sup>5</sup> Block includes some unincorporated homes. Most residences were constructed in the 1950s, 1960s, and 1970s

<sup>6</sup> Block includes some unincorporated homes. Most residences were constructed in the 1950s, 1960s, and 1970s

<sup>7</sup> Block includes some unincorporated homes. Most residences were constructed in the 1960s, and 1970s

Generally, the proportion of households in the City of Hollister with incomes less than \$25,000 has decreased significantly since 2000, while the proportion of households with incomes greater than \$35,000 have been increasing. For example, households with incomes less than \$25,000 decreased from 17.8 percent in 2000 to a current estimate of 12.9 percent in 2008. Conversely, households with incomes between \$35,000 and \$99,999 increased from 54.4 percent to 63.5 percent over that same time period.

**TABLE 18**  
**HOUSEHOLDS BY INCOME - CITY OF HOLLISTER**

Income Ranges	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	523	5.4%	425	3.7%	403	3.2%
\$10,000-\$14,999	281	2.9%	264	2.3%	239	1.9%
\$15,000-\$24,999	921	9.5%	792	6.9%	731	5.8%
\$25,000-\$34,999	1,008	10.4%	792	6.9%	642	5.1%
\$35,000-\$49,999	1,454	15.0%	1,412	12.3%	1,134	9.0%
\$50,000-\$74,999	2,230	23.0%	3,582	31.2%	3,276	26.0%
\$75,000-\$99,999	1,590	16.4%	2,297	20.0%	3,490	27.7%
\$100,000+	1,687	17.4%	1,917	16.7%	2,684	21.3%
Total	9,694	100.0%	11,481	100.0%	12,599	100.0%

Source: 2000 Census, 2007 AnySite, 2008 California Department of Finance

The Department of Housing and Community Development (HCD) estimates area median incomes (AMI) for all counties in the State annually. In turn, this AMI is utilized in many housing programs, such as CDBG, HOME and LIHTC. Of particular note, the 2008 San Benito County AMI was \$78,000.

In addition to estimated annual income, U.S. Department of Housing and Urban Development HUD has established standard income groups. They are defined as: (1) Extremely Low, which are households earning less than 30 percent of AMI; (2) Very Low Income, which are households earning between 30 and 50 percent of the AMI; (3) Low Income, for households earning between 50 percent and 80 percent of the AMI; (4) Moderate Income, for households earning between 80 percent and 120 percent of the AMI, and (5) Above Moderate Income are households earning over 120 percent of the AMI. Generally, these categories are used to determine household eligibility for federal, and local programs.

Based on the 2008 San Benito County AMI and household income tables, the proportion of households in the Extremely Low, Very Low and Low Income groups is less than those in the Moderate and Above Moderate categories. For example, approximately 44.8 percent of Hollister households make less than 80 percent of the State designated San Benito County Area Median Income, which translates to 5,143 households. In comparison, 55.2 percent of households are in the Moderate and Above Moderate categories.

**TABLE 19**  
**HOUSEHOLDS BY 2008 INCOME CATEGORIES - CITY OF HOLLISTER**  
**2008 Area Median Income (4-Person Household): \$78,000**

Income Category	Income Range	Number	Percent
Extremely Low	Less than \$23,400	1,320	11.5%
Very Low	\$23,401 - \$39,000	1,297	11.3%
Low	\$39,001 - \$62,400	2,526	22.0%
Moderate	\$62,401 - \$93,600	3,835	33.4%
Above Moderate	Greater than \$93,601	2,503	21.8%

Source: 2008 HCD State Income Limits, Estimated number of 2008 households by income applied to State Income Limits

#### **2.1.d. OVERPAYMENT**

Overpayment is an important measure of the affordability of housing within a city. Overpayment for housing is based on the total cost of shelter compared to a household's ability to pay. Specifically, overpayment is defined as a household paying more than 30 percent of their gross household income for shelter. According to the US Census, shelter cost is the monthly owner costs (mortgages, deeds of trust, contracts to purchase or similar debts on the property, taxes, and insurance) or the gross rent (contract rent plus the estimated average monthly cost of utilities).

In 2000, a total of 3,490, or 37.9 percent, of all households in the City of Hollister pay in excess of 30 percent of their income for shelter (See Table 20). Of these 874 families pay 30 to 34 percent of their household income for rent. Households paying in excess of 35 percent of their income for housing comprise 1,592 of total owner-occupied units and are primarily concentrated in the moderate to above moderate income ranges. The majority of renter households paying in excess of 35.0 percent of their income had incomes below \$35,000.

The percentage of owners versus renters overpaying was disproportionate, representing 36.0 percent owner and 41.0 percent renter households. The overpayment situation is particularly critical for renters with annual incomes less than \$20,000.

**TABLE 20**  
**CITY OF HOLLISTER HOUSEHOLDS OVERPAYING,**  
**BY INCOME AND TENURE (2000)**

<b>OWNER-OCCUPIED UNITS</b>						
<b>Income Range</b>	<b>Total Households</b>	<b>% of Total Households</b>	<b>0-20% of HH Income</b>	<b>20-29% of HH Income</b>	<b>30-34% of HH Income</b>	<b>35+% of HH Income</b>
\$0-10,000	189	3.2%	10	0	14	134
\$10,000-19,999	189	3.2%	41	16	7	125
\$20,000-34,999	611	10.3%	160	77	16	358
\$35,000-49,999	701	11.8%	209	117	64	311
\$50,000 +	4,256	71.5%	1,611	1,507	466	664
<b>Subtotal</b>	<b>5,946</b>	<b>100.0%</b>	<b>2,031</b>	<b>1,717</b>	<b>567</b>	<b>1,592</b>
<b>RENTER-OCCUPIED UNITS</b>						
<b>Income Range</b>	<b>Total Households</b>	<b>% of Total Households</b>	<b>0-20% of HH Income</b>	<b>20-29% of HH Income</b>	<b>30-34% of HH Income</b>	<b>35+% of HH Income</b>
\$0-10,000	316	9.7%	7	6	24	219
\$10,000-19,999	456	13.9%	42	51	40	329
\$20,000-34,999	871	26.7%	64	283	98	426
\$35,000-49,999	619	19.0%	236	218	114	33
\$50,000 +	1,001	30.7%	776	170	31	17
<b>Subtotal</b>	<b>3,263</b>	<b>100.0%</b>	<b>1,125</b>	<b>728</b>	<b>307</b>	<b>1,024</b>
<b>TOTAL</b>	<b>9,209</b>		<b>3,156</b>	<b>2,445</b>	<b>874</b>	<b>2,616</b>

Source: U.S. Census, 2000 Population and Housing, Summary Tape File 3A- H73 and H97; Household Income in 1999 for specified renter-occupied housing units by gross rent as a percentage of household income, and Household Income in 1999 for specified owner-occupied units by selected monthly owner costs as a percentage of household income.

Note: *Some households are not accounted for; therefore, figures may slightly differ for other U.S. Census estimates for Total Households.*

Of all owner occupied households with incomes below 80.0 percent MFI within the City, 285 (16.4 percent) are considered to be in the extremely-low income category and for 60.4 percent of those households, the cost of housing is greater than half of the net household income. Similarly, of all renter occupied households within the City, 586 (27.6 percent) are considered to be in the extremely-low income category and for 57.7 percent of those households; the cost of housing is greater than half of the net household income. As indicated in Table 21 as household income increases, the cost burden also decreases, indicating that the City does not have sufficient low income housing to support residents in the very low and extremely low income ranges.

**TABLE 21**  
**HOUSING ISSUES FOR ALL HOUSEHOLDS**  
**CHAS DATA BOOK**

	<b>Total Renters</b>	<b>Total Owners</b>	<b>Total Households</b>
<b>Household Income &lt;=30% MFI</b>	<b>586</b>	<b>285</b>	<b>871</b>
% with any housing problems	81.4%	81.1%	81.3%
% Cost Burden >30%	81.4%	79.6%	80.8%
% Cost Burden >50%	57.7%	66.0%	60.4%
<b>Household Income &gt;30% to &lt;=50% MFI</b>	<b>746</b>	<b>437</b>	<b>1,183</b>
% with any housing problems	82.6%	70.7%	78.2%
% Cost Burden >30%	66.6%	57.0%	63.1%
<b>Household Income &gt;50% to &lt;=80% MFI</b>	<b>794</b>	<b>1,016</b>	<b>1,810</b>
% with any housing problems	52.1%	71.0%	62.7%
% Cost Burden >30%	23.9%	55.3%	41.5%

Source: State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data.

### 2.1.e. HOUSING UNITS

In 2000, Hollister had a total of 9,954 housing units. Of these units, 6,466 were owner occupied and 3,275 were renter occupied. A total of 79.6 percent of total households resided in single-family dwellings in 2000.

**TABLE 22**  
**OWNER/RENTER RATIOS BY HOUSING TYPE- 2000**

Units in Structure	Owner Occupied	Percent Owner	Renter Occupied	Percent Renter	Vacant Units	Total Units
1, Detached	5,945	91.9%	1,295	39.5%	150	7,390
1, Attached	229	3.5%	303	9.2%	0	532
2	26	0.4%	225	6.9%	9	260
3 or 4	5	0.1%	696	21.2%	21	722
5 to 9	15	0.3%	248	7.6%	2	265
10 to 19	5	0.1%	144	4.4%	0	149
20 to 49	0	0.0%	250	7.6%	10	260
50 or more	0	0.0%	69	2.1%	0	69
Mobile home	241	3.7%	45	1.5%	21	307
Total	6,466	100.0%	3,275	100.0%	213	9,954

Source: 2000 Census, Hollister Building Permit records

### 2.1.f. SPECIAL NEEDS

As noted in Government Code Section 65583 (a)(6), within the overall housing needs assessments there are segments of the population that require special consideration. These are generally people who are low income and have less access to housing choices. These special housing needs groups include the elderly, disabled, female/single parent households, large families, farmworkers, and homeless. Housing opportunities for each of these segments of the population is important; various special needs housing types include multi-family rental housing, housing for agricultural workers, emergency (homeless) shelters, transitional housing, supportive housing, single-room occupancy (SRO's), and mobile homes/factory built housing. A discussion of the availability of each type of special needs housing is included below.

#### 2.1.f (1) Elderly

Many elderly households live in housing that costs too much or live in housing that does not accommodate specific needs for assistance. Due to various circumstances, an elderly household may have difficulties staying in

their home community or near family. The purpose of this section is to determine the housing needs for all characteristics of the elderly community, defined as persons over the age of 65 years.

As the population of seniors in the City increases, so do their collective needs. Traditionally, the senior population has only represented a small proportion of the overall population of the City. Table 23 below indicates that in 1990, there were 1,930 seniors in Hollister, which represented 9.0 percent of the total population in the City. Between 1990 and 2000, the senior population increased by 17.5 percent annually. By 2008, the senior population had increased by 30.1 percent to 2,950. By 2013, the senior population is estimated to reach 3,377 persons, which equates to 9.0 percent of the total population.

**TABLE 23**  
**SENIOR POPULATION TRENDS (65+)**

<b>Year</b>	<b>Number</b>	<b>Change</b>	<b>% Change</b>	<b>Annual % Change</b>
1990	1,930			
2000	2,268	338	17.5%	1.7%
2008	2,950	682	30.1%	3.8%
2013	3,377	427	14.5%	2.9%

Source: 1990, and 2000 Census, 2007 AnySite

Senior households comprise a moderate proportion of the total households within the City of Hollister (see Table 24). In the 2000 Census there were an estimated 1,338 senior households in the City, constituting 13.8 percent of the total City households. Comparatively, 15.5 percent of the City's households were seniors in 1990. Currently, there are an estimated 1,507 senior households estimated in the City of Hollister, with the number of seniors projected to increase to 1,908 by 2013. Many seniors have special housing needs, such as the need for smaller and more efficient housing. Typical housing to meet the needs of seniors includes smaller homes and second units for independent living as well as assisted living facilities and nursing homes. As more and more baby boomers enter their senior years, the need for senior housing will continue to increase in Hollister.

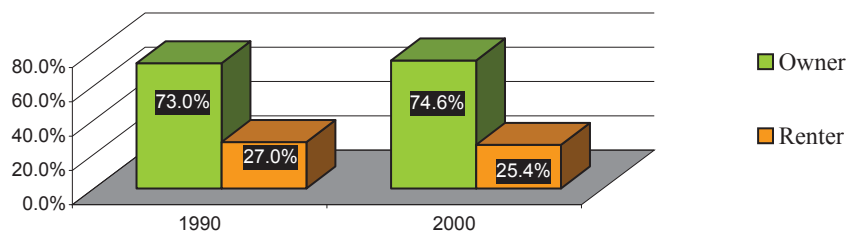
**TABLE 24**  
**SENIOR HOUSEHOLD TRENDS (65+)**

Year	Number	Change	% Change	Annual % Change
1990	1,005			
2000	1,338	333	33.1%	3.3%
2008	1,507	169	12.6%	1.6%
2013	1,908	401	26.6%	5.3%

Source: 1990, and 2000 Census, 2007 AnySite

In 1990, 27.0 percent of the senior households in Hollister were renters. Change in the proportion of senior renters is dependent on the quantity of housing options and the propensity to convert from ownership. In 2000, the proportion of the City's senior renters actually decreased by 1.6 percent to 25.4 percent. This demonstrates a slight increase in homeownership rates among seniors.

**CHART 2**  
**SENIOR HOUSEHOLDS BY TENURE (1990-2000)**



Source: 1990 Census, 2000 Census

Table 25 below indicates that in 2000, 31.7 percent of all senior citizen households had incomes below \$20,000. By 2008, this percent has increased to 33.2 percent.

**TABLE 25**  
**SENIOR HOUSEHOLDS BY INCOME - CITY OF HOLLISTER**

Income Ranges	2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	183	13.7%	211	14.0%	246	12.9%
\$10,000-\$19,999	241	18.0%	289	19.2%	332	17.4%
\$20,000-\$29,999	195	14.6%	255	16.9%	309	16.2%
\$30,000-\$39,999	144	10.8%	206	13.7%	244	12.8%
\$40,000-\$49,999	144	10.8%	148	9.8%	196	10.3%
\$50,000-\$59,999	112	8.4%	87	5.8%	118	6.2%
\$60,000-\$74,999	104	7.8%	143	9.5%	200	10.5%
\$75,000-\$99,999	60	4.4%	89	5.9%	146	7.7%
\$100,000+	155	11.5%	79	5.3%	117	6.2%
Total	1,338	100.0%	1,507	100.0%	1,908	100.0%

Source: 2000 Census, 2007 AnySite

Eligibility for federal programs is based on the median income of the county or statistical area in which the project or program is located. In this case, eligibility is based on the 2008 area median income for San Benito County of \$62,400 for a two-person household (see Table 26). Using that as the basis, 11.2 percent of senior households in the City of Hollister are considered above moderate income, 15.3 moderate income, and 73.5 percent are in the extremely low, very low and low income groups.

**TABLE 26**  
**SENIOR HOUSEHOLDS BY INCOME CATEGORY-2008**  
**2008 Area Median Income (2-Person Household): \$62,400**

<b>Income Category</b>	<b>Income</b>	<b>Proportion of Senior Households in Hollister</b>
Extremely Low	Less than \$18,720	30.7%
Very Low	\$18,721 - \$31,200	21.0%
Low	\$31,201 - \$49,920	21.8%
Moderate	\$49,921 - \$74,880	15.3%
Above Moderate	Greater than \$74,881	11.2%

Source: 2008 HCD State Income Limits, Estimated number of 2008 households by income applied to State Income Limits

In Hollister, 46.1 percent of senior households, or 144 households, are paying more than 35 percent of their income toward shelter (see Table 27). These senior households are cost burdened and would benefit from publicly assisted housing or other types of public assistance.

**TABLE 27**  
**SENIOR HOUSEHOLDS BY SHELTER PAYMENT (2000)**

<b>Percent of Income for Shelter</b>	<b>Number</b>	<b>Percent</b>
Less Than 20%	85	27.2%
20 to 24%	44	14.1%
25 to 29%	0	0.0%
30 to 34%	39	12.5%
Greater Than 35%	144	46.1%
<b>TOTAL</b>	<b>312</b>	<b>100.0%</b>

Source: 2000 Census

As indicated by Table 28, according to the 2000 Census, 71.2 percent of the senior population has a disability, the majority of these having a physical disability. Only 7.0 percent of seniors had a self-care disability.

**TABLE 28**  
**SENIORS BY LIMITATION TYPE (2000)**

Senior Limitation Type	Number	Percent of Total Senior Population
Sensory	266	11.7%
Physical	560	24.7%
Mental	239	10.5%
Self Care	160	7.0%
Going Outside the Home	389	17.1%
Total Seniors with Disabilities	1,614	71.2%

Source: 2000 Census Note: numbers are mutually exclusive

Several types of services and facilities are available for senior citizens within the City, including:

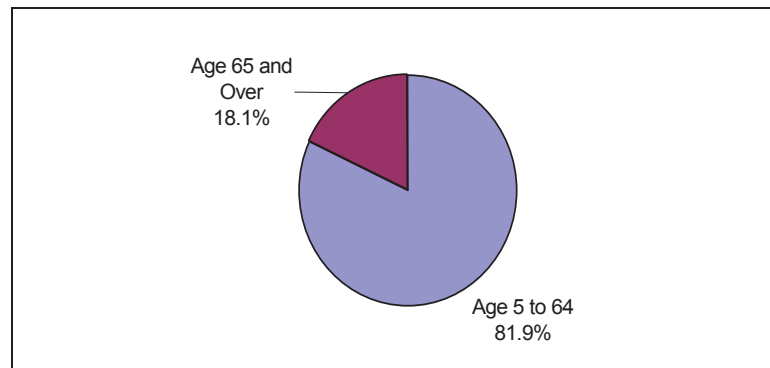
- Senior Housing: Currently, there is one Senior Complex, Prospect Villa Apartments, within the City. This complex is an 86 unit low-income project.
- € Activities: Jovenes De Antano is a non-profit located at the Hollister Community Center. They operate a senior weekday lunch program, meals on wheels and an Alzheimer day care at the center. The City of Hollister allows use of the facility in kind for Jovenes De Antano. They also rely on grants (\$101,573 Federal and \$349,361 State), volunteers and donations for operations in FY 08/09. They serve about 1,500 people per year with meals on wheels and congregate meals. Additionally, they serve about 65 people for lunches and 90 meals per day on weekdays.
- Transportation: The County of San Benito operates a fixed route and dial-a-ride bus system; both systems offer significant fare reductions for seniors and disabled residents.

### **2.1.f (2) Disabled Persons**

Three types of disabled persons are considered as having special housing needs: Physically, Mentally, and Developmentally Disabled. Each type is unique and requires specific attention in terms of access to housing, employment, social services, medical services and accessibility within housing.

In 2000, a total of 8,936 persons in the City had some type of disability. Of these, 81.9 percent or 7,322 persons were between the ages of five (5) and 64 and the remaining 1,614 were 65 years of age or older.

**CHART 3  
DISABLED PERSONS BY AGE (2000)**



According to the 2000 Census (see Table 29), 57.1 percent of persons 16 to 64 years of age with a disability were employed. This is below the overall employment rate of 92.6 percent. With no means to support daily living, those disabled persons who are not employed may be in need of housing assistance.

**TABLE 29  
DISABLED PERSONS BY EMPLOYMENT STATUS (2000)**

Work Disability Status	16-64 years	
	Number	Percent
Not Employed	1,780	42.9%
Employed	2,368	57.1%
<b>TOTAL</b>	<b>4,148</b>	<b>100.0%</b>

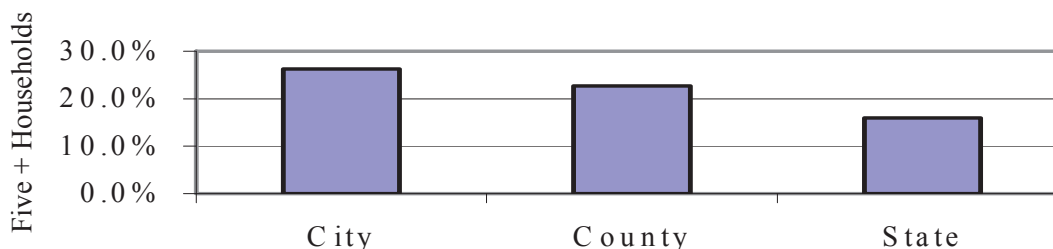
Source: 2000 Census

### 2.1.f (3) Large Families

For the purposes of this section, a large family is defined as a household consisting of five or more persons. In some cases, the needs of larger families are not targeted in the housing market, especially in the multifamily market. This sub-section explores the availability of larger housing units in Hollister.

In the 2000 Census, 26.3 percent or 2,565 of the households in the City of Hollister consisted of five or more persons. At the same time, the County had 22.7 percent and the State had 16.0 percent.

**CHART 4  
LARGE FAMILY COMPARISON (2000)**



Source: 2000 Census

According to the 2000 Census, a majority of the City's housing stock is comprised of two, and three bedroom units, which is considered more marketable in the housing market. For example, 65.1 percent of the renter housing units and 62.8 percent of the owner housing units were either two or three bedroom units (see Table 30).

**TABLE 30  
HOUSEHOLDS BY TENURE BY BEDROOM TYPE (2000)**

Bedroom Type	Owner Households		Renter Households	
	Number	Percent	Number	Percent
0 BR	153	2.4%	196	5.9%
1 BR	288	4.4%	804	24.5%
2 BR	835	12.9%	1,283	39.2%
3 BR	3,231	49.9%	848	25.9%
4 BR	1,627	25.2%	137	4.2%
5+ BR	332	5.2%	7	0.3%
TOTAL	6,466	100.0%	3,275	100.0%

Source: 2000 Census

Large households often have lower incomes, which frequently results in overcrowding in smaller dwelling units and in the acceleration of unit deterioration. According to the 2000 Census, there were 2,565 large households in the City and 6,182 housing units of three or more bedrooms. This would indicate a more than adequate number of larger housing units

**TABLE 31**  
**HOUSEHOLD SIZE DISTRIBUTION**

Household Size	1990			2000		
	Owner	Renter	Percent	Owner	Renter	Percent
1 Person	443	563	17.1%	696	567	12.9%
2 Persons	1,017	507	25.8%	1,561	671	22.9%
3 Persons	523	488	17.1%	1,091	571	17.1%
4 Persons	599	507	18.8%	1,406	612	20.7%
5 Persons	376	344	12.2%	873	415	13.2%
6 Persons	158	108	4.5%	478	258	7.6%
7 + Persons	145	118	4.5%	361	180	5.6%
Total	3,261	2,635	100.0%	6,466	3,275	100.0%

Source: 1990 and 2000 Census

#### **2.1.f (4) Farmworkers**

Generally, farmworker population contains two segments of farmworkers: permanent and migratory (seasonal); Hollister is no different. Varying employment estimation techniques result in diverse estimates of local agricultural employment. Nonetheless, a range of estimates of farmworkers in the State can be derived. By applying assumptions derived from surveys specifically targeted to farmworkers, an aggregate population (both workers and households) can be estimated. These estimates indicate that average annual employment of farmworkers in California is about 350,000, with peak period employment of about 450,000 within the State. This employment demand is filled by between 650,000 and 850,000 farmworkers within the State. Total population (including family members) associated with these workers is between 900,000 and 1.35 million persons.

According to the 2007 Census of Agriculture, San Benito County contains a total of 625 farms on 579,851 acres, which is an increase in acreage over the 677 farms and 578,351 acres from the 2002 Census. Approximately, 56.9 percent of the farms are between one and forty-nine acres in size and 43.1 percent are more than 50 acres. About 36.5 percent of the farms (228 farms) hired farm labor for a total of 2,945 workers, however, 66.2 percent of the farm laborers worked less than 150 days.

There is limited agriculture within the City, however a significant number of farmworkers still live in Hollister that work in San Benito County. Farm

workers earn some of the lowest wages relative to other workers and typically live below the poverty line. Many farm workers live in overcrowded housing conditions in Hollister, and some live in substandard and illegal units. While some farm workers are migrant workers in need of temporary housing, many are permanent residents; therefore, a need exists for more transitory housing as well as low-cost housing for year-round workers. Farm worker housing is permitted in the Residential Estate zoning district. Currently, farm worker housing requirements are not specifically addressed or identified in the Zoning Ordinance, Title 17. In order that the City comply with the requirements of Health and Safety Code Sections, 17021.5 and 17021.6, a program has been included (see Program H.R) in this Housing Element to amend the Zoning Ordinance to permit farm worker housing as a permitted use not subject to any conditional approval, and to be considered in the same manner as other agricultural uses in the same zone. It should be noted that farmland under cultivation in the City is located in the airport industrial zoning districts. Much of this land is within the Airport Influence Area of the Comprehensive Land Use Plan for the Hollister Municipal Airport where any residential development is discouraged.

According to AnySite, 616 persons were employed in the farming, fishing and forestry occupations in the City of Hollister in 2008, which is an increase of 59 persons since the 2000 Census.

**TABLE 32**  
**FARMWORKERS - CITY OF HOLLISTER**

	2000		2008	
	Number	Percent Total Employment	Number	Percent of Total Employment
Farming, Fishing and Forestry	557	3.7%	616	3.6%

Source: 2000 Census, 2007 AnySite

### **2.1.f (5) Single-parent Households**

Single-parent households have special housing needs such as reasonable day care, health care, and affordable housing. The most significant portion of this group is the female-headed household. Female-headed households with children often have lower incomes, limiting their access to available housing. Many housing experts believe these households are especially at risk of housing cost burden or homelessness.

According to Table 33, the 2000 Census counted 5,292 family households with children 18 years old and under in the City of Hollister. Of these households, 844, or 15.9 percent, are headed by single females.

**TABLE 33**  
**HOUSEHOLD TYPE AND PRESENCE OF CHILDREN**  
**18 YEARS OLD AND UNDER - CITY OF HOLLISTER - 2000**

Household Type	Number*	Percent
Family Households	9,939	96.3%
With Children Under 18 Years Old	4,027	39.0%
With No Children	2,344	22.7%
<b>Female Householder With Children*</b>	<b>844</b>	<b>8.2%</b>
Female Householder With No Children*	343	3.3%
<b>Male Householder With Children*</b>	<b>421</b>	<b>4.1%</b>
Male Householder With No Children*	176	1.7%
Non-family Households	377	3.6%
TOTAL	10,316	

Source: 2000 Census \* No spouse present

Note: Number of households is mutually exclusive.

Approximately 5.6 percent of the total family households in the City of Hollister were below the 2000 Census poverty level (see Table 34). Of these, 2.6 percent (257 households) were female-headed households. Approximately 20.3 percent of female-headed households that had children under 18 years old were below the 2000 Census poverty level.

**TABLE 34**  
**HOUSEHOLDS BY POVERTY LEVEL**  
**CITY OF HOLLISTER - 2000**

Family Households	Number	Percent
Total Families with Income in 1999 below Poverty Level	559	5.6%
Total Family Households	9,939	
Female Householder in 1999 below Poverty Level	257	21.7%
Female Single Parent Households with Children Under 18 years in 1999 below Poverty Level	241	20.3%
Total Female Householders	1,184	

Source: 2000 Census

### **2.1.f (6) Homeless Persons (Persons in Need of Emergency Shelter)**

Homelessness continues as a regional and national issue, and also continues to be a concern locally. There are generally two types of homeless - the "permanent homeless," who are the transient and most visible homeless population, and the "temporary homeless," who are homeless usually due to eviction and may stay with friends, family, or in a shelter or motel until they can find a permanent residence.

Generally, factors contributing to the rise in homelessness include a lack of housing affordable to lower income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidies to the poor, alcohol and substance abuses, and the de-institutionalization of the mentally ill. Homeless people, victims of abuse, and other individuals require housing that is being met by the traditional housing stock. These people require temporary housing and assistance at little or no cost to the recipient.

Due to their transient nature in Hollister as elsewhere, it is difficult to count the number of homeless; however, according to the Homeless Task Force of San Benito County in February 2009, there are approximately 100 homeless adults (over 18) in the City. Seasonal farmworker and day-laborer populations are most appropriately classified as part of the temporary homeless population. The San Benito County Homeless Task Force operates winter only shelter services (with a capacity of 25 beds) and food bank services. Other homeless service providers in the community include the Salvation Army (food bank and clothes closet), the Community Pantry (food bank), and Fishes and Loaves (food program).

#### **Special Needs Resources/Emergency Shelters/Single Room Occupancy (SRO) Units**

Residential occupancy or single room occupancy (SRO) hotels can be an important component of the special needs housing picture. SRO's can provide low cost housing for those in the extremely low and very low income categories, and can also play a role in the transitioning process from homelessness to more permanent housing.

The City's current zoning ordinance Section 17.22.120 allows homeless shelters by right in the North Gateway zoning district. Bus service is available to locations within the North Gateway district on San Felipe Road. The North Gateway district is also the closest non-industrial district in proximity to the umbrella of support services at the San Benito County Health and Human Services Agency, located at 1111 San Felipe Road, but is also within walking distance of the courts, library, and annex to the local junior college in the central downtown area of Hollister. Appendix C-C includes a list of vacant properties and sites with strong potential to provide

capacity for a shelter, totaling over 12 acres, all located within the North Gateway district. Sites include vacant parcels, and existing non-conforming residences, apartments and/or motels that are prime candidates for adaptive reuse projects.

The City's current zoning ordinance allows SRO units. Emergency shelters are not defined in specific zones. Residential occupancy or single room occupancy (SRO) hotels can be an important component of the special needs housing picture. SRO's can provide low cost housing for those in the extremely low and very low income categories, and can also play a role in the transitioning process from homelessness to more permanent housing. The City's current zoning ordinance does not allow emergency shelters by right, SRO units are permitted with a Conditional Use Permit in the Downtown Mixed Use (DMU) district. The City shall continue to encourage the development of SRO's through identification of potential locations and through City assistance with grant writing for their development. Please see the Policies and Programs chapter found at the end of this element for the full program definition.

San Benito County generally provides the majority of the services for the homeless. The primary method of providing emergency shelter to homeless individuals and families in San Benito County is motel voucher programs, dispersed through various divisions of San Benito County Health and Human Services (HHS), and through several community-based organizations.

San Benito County Community Services and Workforce Development provide a temporary, emergency shelter during winter months for homeless families. The County uses vacant cabins at the Migrant Housing Center. The shelter operates from December through March. Space is limited.

Although the City does not have the population of homeless persons to support a full-time shelter, church-based organizations, and the Salvation Army do provide some homeless services such as referrals, meals to low-income residents and a clothing closet.

#### Special Needs Resources/Transitional and Supportive Housing

Transitional Housing is defined as interim housing helping families move from homelessness to self-sufficiency by providing short-term housing (usually two years) at extremely low rent to qualified families; assistive services for life skills may be an inclusive part of the housing. Supportive Housing has no limit on the length of stay, and typically offers a wider array and more intensive services to individuals transitioning from homelessness, including counseling, case management, health treatment, in addition to life skills.

As per Section 17.22.120 of the Hollister Zoning Ordinance, Transitional Housing facilities are included under the definition for Homeless Shelters,

and are identified as Small or Large Temporary Residential Shelters (LTRS or STRS). Supportive Housing is not identified. Large and Small Temporary Residential Shelters are permitted in the North Gateway (NG) zoning district provided that each establishment meets specified objective location and operational standards. A use permit is required for homeless shelter or transitional facilities in residential, mixed use, or commercial districts. *Program H.D.* of this Housing Element requires a Zoning Ordinance amendment to clarify that Transitional and Supportive Housing shall be treated as residential uses of property subject to the same requirements as other residences in the same district. In order to comply with SB2, the words “by right” shall be added to the code section clearly indicating homeless shelters are allowed by right in the North Gateway, district without any discretionary approval.

San Benito County Community Services and Workforce Development operate a six-month transitional homeless shelter, in Hollister, in conjunction with Community Services Development Corporation. The transitional shelter program works with families who are homeless and seek to secure permanent housing. The program provides services for parents to seek and maintain employment or to gain the skills necessary for obtaining employment. The program emphasizes the parents developing the financial resources to obtain permanent housing to move into after completion of the program. Assistance is provided in locating and securing permanent housing.

San Benito County Supportive Housing is defined as housing with no limit on length of stay. The current Zoning Ordinance does not mention transitional housing by right or with a Conditional Use Permit. However, *Program H.D.* will amend the zoning to permit transitional and supportive housing, subject to only those regulations governing other types of housing, whether single-family or multifamily.

#### Manufactured Housing and Mobile Homes

Manufactured housing and mobile homes provide a viable housing alternative to segments of the population. State law states that any site that can be developed for site-built housing must also be available for the development of manufactured housing and mobile homes. GC Section 65852.3 requires that cities allow installation of certified manufactured homes on foundation systems, as per GC Sect. 65852.3, on lots zoned for conventional single family residences. This section and GC Section 65852.4 require that manufactured homes be subject to the same land use regulation as conventional homes. GC Section 65852.7 deems mobile home parks to be a permitted use in all areas planned and zoned for residential use, although use permit requirements may apply.

According to the US Census, there were 307 mobile homes in Hollister in 2000. Section 17.22.150 of Hollister's zoning code currently limits mobile homes and manufactured housing to approved locations within established mobile home parks. Mobile homes and manufactured housing are not expressly permitted as a use by right in single family districts. As part of this Housing Element, and in adopted to implement the General Plan, a Zoning Ordinance amendment will be done establish mobile and manufactured homes on foundations as permitted uses in the R1 Single Family Residence District and the RA Residence Agricultural District subject to other applicable zoning and development standards in the same fashion as a single family use.

### **2.1.g. OVERCROWDING**

An overcrowded unit is defined by the Census as having 1.01 persons or more per room, excluding kitchens and bathrooms. A severely overcrowded unit has 1.5 or more persons per room. Generally, a room is defined as a living room, dining room, bedroom, or finished recreation room.

While family size and tenure are critical determinants in overcrowding, household income also plays a strong role in the incidence of overcrowding. As a general rule, overcrowding levels tend to decrease as income rises, especially for renters. The rate of overcrowding for lower income households is generally nearly three times greater than households over 95 percent of the area median income. As with renters, owner households with higher incomes have lower rates of overcrowding.

Between 1980 and 1990, the percentage of overcrowded households in California nearly doubled from 6.9 percent to 12.3 percent. Census 2000 reports more than 15 percent of California households were overcrowded with overcrowding most common among low-income households, and most prevalent in renter housing. Roughly 24 percent of renter households statewide were overcrowded; in some counties, nearly a third of renter households were overcrowded. One quarter of all overcrowded renter households contained more than one family. Of all owner and renter overcrowded households, estimates are that 8.9 percent are severely overcrowded (more than 1.5 persons per room). As indicated in Table 35, 7.0 percent of owner-occupied households and 12.7 percent of renter-occupied units are considered to be severely overcrowded. Of all units, 17.4% are considered to be overcrowded, 27.1% of renter-occupied households are overcrowded, and 12.4% of owner-occupied households are overcrowded.

**TABLE 35**  
**OVERCROWDED UNITS BY TENURE - 2000**

	OWNER		RENTER		TOTAL OVERCROWDED	
Persons per Room	Household s	Percent	Household s	Percent	Household s	Percent
0.50 or less	3,074	47.5%	1,088	33.2%	4,162	42.7%
0.51 to 1.00	2,589	40.0%	1,300	39.7%	3,889	39.9%
1.01 to 1.50	354	5.5%	472	14.4%	826	8.5%
1.51 to 2.00	283	4.4%	252	7.8%	535	5.5%
2.01 or more	166	2.6%	163	4.9%	329	3.4%
Total	6,466	100.0%	3,275	100.0%	9,741	100.0%
% Overcrowded by Tenure	803	12.4%	887	27.1%	1690	17.3%
Source: 2000 Census						

## SECTION 2.2.a

### INVENTORY OF RESOURCES

#### 2.2.a. EXISTING HOUSING CHARACTERISTICS

The City of Hollister has grown significantly in the last 18 years, increasing by over 92 percent. In 1990, Hollister had 6,222 dwelling units and by 2000 there were 9,928 dwelling units, an approximately 59.9 percent increase. In 2008 there were 10,584 housing units, an approximately 6.3 percent increase from 2000. Overall, in the past 18 years the City has increased its housing stock 70.1 percent.

The market for housing in the City of Hollister has been restricted during the past 5 and one-half years as a result of the wastewater treatment related moratorium on growth and development. Prior to that, the City experienced a significant amount of single family home building; approximately 75% of homes in Hollister are single family dwellings. This in turn has created a need for alternative housing types in the City, including apartments, condominiums and other types of residences, available to all income groups. Other patterns of growth have continued to affect the City as well, including the influx of people moving from other regions to locate in Hollister.

**TABLE 36**  
**HOUSING UNITS BY TYPE - CITY OF HOLLISTER**

	1990		2000		2008	
Unit Type	Number	Percent	Number	Percent	Number	Percent
Single Family	4,513	72.5%	7,902	79.6%	8,505	80.3%
2-4 Units	882	14.2%	979	9.9%	992	9.4%
5+ Units	516	8.3%	741	7.5%	781	7.4%
Mobile Home & Other	311	5.0%	306	3.0%	306	2.9%
TOTALS	6,222	100.0%	9,928	100.0%	10,584	100.0%
Source: 1990, 2000 US Census, 2008 Department of Finance						

#### 2.2.b. HOUSING CONDITIONS

During the summer and fall of 2008, the City of Hollister, Department of Development Services utilized in-house staff to gather primary data and tabulate the information regarding the condition of housing units in the City. Areas of the City, for purposes of establishing general conditions, were analyzed according to Census Tracts and Block Groups.

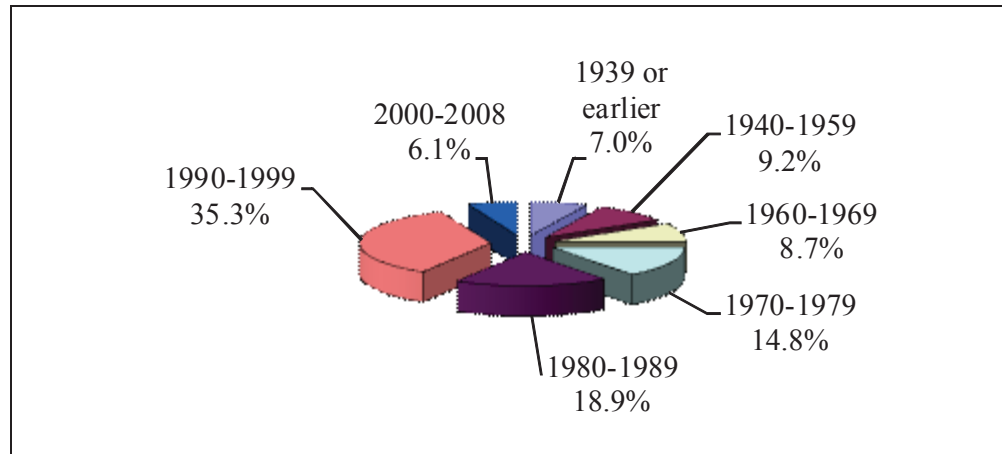
Results of the survey can be seen in Table 37 below. Of the 9,012 units surveyed by the City, 7,313 units (81.1 percent) are in sound condition. However, approximately 1,693 units (18.8 percent) of Hollister's housing stock are deemed to be in need of some form of rehabilitation. The need for rehabilitation exists if the condition is classified as Minor, Moderate or Substantial. The city has approximately 1,502 units (16.7 percent) in need of minor repairs, 186 units (2.0 percent) in need of moderate repairs and 5 units (0.1 percent) in need of substantial repairs. As many as 6 units are considered Dilapidated and should be considered for demolishing. With approximately 11 units in need of either substantial rehabilitation or deemed dilapidated, the City may have a need to place further emphasis on a residential rehabilitation program.

**TABLE 37**  
**HOUSING CONDITIONS, CITY OF HOLLISTER**

Census Tracts - Block Groups	CONDITION OF UNITS										TOTAL
	Sound		Minor		Moderate		Substantial		Dilapidated		
	Number	%	Number	%	Number	%	Number	%	Number	%	
1-2	12	70.6%	4	23.5%	1	5.9%	0	0.0%	0	0.0%	17
3-1	263	74.5%	86	24.4%	4	1.1%	0	0.0%	0	0.0%	353
3-2	7	70.0%	3	30.0%	0	0.0%	0	0.0%	0	0.0%	10
3-3	355	81.0%	69	15.7%	14	3.2%	0	0.0%	0	0.0%	438
4-1	379	72.5%	109	20.8%	29	5.5%	4	0.8%	2	0.4%	523
4-2	275	67.4%	91	22.3%	38	9.3%	1	0.3%	3	0.7%	408
4-3	309	70.2%	102	23.2%	29	6.6%	0	0.0%	0	0.0%	440
4-4	228	65.7%	113	32.6%	6	1.7%	0	0.0%	0	0.0%	347
5-1	339	76.9%	70	15.9%	32	7.2%	0	0.0%	0	0.0%	441
5-2	732	81.8%	156	17.4%	7	0.8%	0	0.0%	0	0.0%	895
5-3	1,207	86.6%	186	13.3%	0	0.0%	0	0.0%	1	0.1%	1,394
6-1	171	74.7%	58	25.3%	0	0.0%	0	0.0%	0	0.0%	229
6-2	294	73.3%	97	24.2%	10	2.5%	0	0.0%	0	0.0%	401
6-3	1,151	89.0%	131	10.1%	11	0.9%	0	0.0%	0	0.0%	1,293
7-1	917	86.6%	142	13.4%	0	0.0%	0	0.0%	0	0.0%	1,059
7-2	296	82.0%	64	17.7%	1	0.3%	0	0.0%	0	0.0%	361
7-3	378	93.8%	21	5.2%	4	0.9%	0	0.0%	0	0.0%	403
SURVEYED HOUSING UNITS											9,012

Generally, housing conditions can be described by the age of the units, exempting diligent maintenance. Since building codes change with time and technology, the older housing units are the most likely to be considered substandard or in marginal condition. Approximately 16.2 percent of the housing stock in the City of Hollister was built before 1960. An additional 8.7 percent was built between 1960 and 1969, while more recently, 6.1 percent of the housing units were built between 2000 and 2008.

**CHART 5**  
**HOUSING UNITS BY YEAR BUILT -CITY OF HOLLISTER**



Source: 2000 Census; 2008 SOCDS

### 2.2.c. RESIDENTIAL CONSTRUCTION TRENDS

From 2000 to 2008, 663 housing units have been constructed in the City of Hollister. Of the new units, 93.5 percent were single-family units. A total of 42 (6.5%) multi-family units have been built since 2000.

Based on the figures in Table 38, an average of 81 building permits have been issued each year. Depending on the market conditions, the City of Hollister, in fact, any city, will experience changes in the total number of building permits issued over time. Going forward, an average of 610 units per year needs to be constructed in order to meet the Regional Housing Needs Allocation (RHNA) of 3,050 for 2007-2014. The City is able to demonstrate, based on units approved and pending construction, and based on vacant land as well as redevelopment parcels, that they have the capacity to meet the RHNA. Section 2.2.b contains a more in-depth discussion of the City's sites inventory.

**TABLE 38**  
**BUILDING PERMITS BY YEAR - CITY OF HOLLISTER**

Year	Single Family Units	Duplexes	3-4 Unit Multi-family	(5+ Units) Multi-family	Total Units
2000	358	0	0	0	358
2001	210	0	0	40	250
2002	33	2	0	0	35
2003	2	0	0	0	2
2004	1	0	0	0	1
2005	0	0	0	0	0
2006	1	0	0	0	1
2007	1	0	0	0	1
2008*	15	0	0	0	15
Total	621	2	0	40	663

\*Source: City of Hollister Building Department, SOCDs online database as of October 2008

#### **2.2.d. VACANCY TRENDS**

Vacancy trends in housing are analyzed using a “vacancy rate” which establishes the relationship between housing supply and demand. For example, if the demand for housing is greater than the available supply, then the vacancy rate is low and the price of housing will most likely increase. Additionally, the vacancy rate indicates whether or not the City has an adequate housing supply to provide choice and mobility. HUD standards indicate that a vacancy rate of five percent is sufficient to provide choice and mobility.

In 2000, the Census reported a vacancy rate of 2.14 percent in the City of Hollister. The California State Department of Finance (DOF) Population Research Unit publishes an annual estimate of population, housing units, vacancy, and household size for all incorporated cities in the State. In 2008, the DOF estimated the vacancy rate for Hollister to be 2.10 percent. It should be noted that the DOF estimate is for all housing unit types and does not exclude seasonal, recreational, occasional use or other vacant. According to the 2000 Census, 32.7 percent of the vacant units are rental units and 15.0 percent of the vacant units are for seasonal, recreational, or occasional use.

##### **2.2.d (1) Multifamily Vacancy**

In January 2008, Laurin Associates conducted a vacancy survey of existing rental properties within Hollister. A total of 780 multifamily units were surveyed. The survey found that there were 27 vacancies within the City of Hollister, for an overall vacancy rate of 1.2 percent. Most managers reported that turnover is rare, waiting lists are long, and when vacancies do occur the units are rented very quickly.

### **2.2.d (2) Single Family Vacancy**

According to the Multiple Listing Service, there were a total of 41 homes and condominiums for sale in the City of Hollister in February 2009. The estimated vacancy rate for single-family dwellings in 2008 was 2.1 percent, based on a total of 8,505 single-family units. As a rule, this vacancy rate indicates a normal housing market with limited choice and mobility. However, over the past year there have been numerous homes in some stage of foreclosure. The high number of foreclosures skews the discussion of a vacancy rate. Homes that are currently in foreclosure as a result of the market crisis are considered outside the normal discussion of residential vacancies. The analysis below provides a discussion of the current state of foreclosed properties.

### **2.2.d (3) Foreclosure Vacancy**

According to Realtytrac.com, Hollister has approximately 883 homes that are at some stage of foreclosure as of March 2, 2009. The City of Hollister City Council has been active in addressing this problem, adopting an ordinance in early 2008 addressing nuisance problems associated with such foreclosures.

- 475 homes are currently bank-owned properties
- 135 homes are scheduled for trustee sale
- 6 pre-foreclosure homes are on the market for re-sale
- 267 homes are in pre-foreclosure, have received notices of default

The City is taking an active role in addressing the foreclosure issue in Hollister. Section 4.0 (Program H.A) of this Housing Element includes a program administered by the Redevelopment Agency to help address the significant number of foreclosures within the City. The Hollister RDA is preparing to fund a program called the “Foreclosed Home Reactivation Program” to assist in returning foreclosed homes to occupied status. The City will continue to conduct public workshops providing foreclosure prevention information to property owners. Additionally, the City will continue to implement the Property Maintenance Ordinance in an attempt to prevent deterioration of neighborhoods with high foreclosure rates.

## **2.2.e. HOUSING COSTS AND AFFORDABILITY**

One of the major barriers to housing availability is the cost of housing. In order to provide housing to all economic levels in the community, a wide variety of housing opportunities at various prices should be made available. The following table describes the acceptable monthly payment for households (family of four) in the five major income groups: Extremely-Low Income, Very-Low, Low, Moderate and Above-Moderate.

**TABLE 39**  
**INCOME GROUPS BY AFFORDABILITY (2008)**

<b>Income Group</b>	<b>Income Range</b>	<b>Monthly Payment Range*</b>
Extremely Low	Less than \$23,400	Less than \$585
Very Low	\$23,401 - \$39,000	\$585-\$975
Low	\$39,001 - \$62,400	\$975- \$1,560
Moderate	\$62,401 - \$93,600	\$1,560 - \$2,340
Above Moderate	Greater than \$93,601	Greater than \$2,340
Source: 2008 California Tax Credit Allocation Committee, San Benito County		
*NOTE: affordable housing is up to 30% of income used toward gross monthly housing costs.		

In the previous program period, due to the high cost of housing in Hollister, significant subsidies were needed to make housing affordable to low and moderate-income households. To make projects feasible, developers must rely on a variety of federal, state, and local funding and financing sources. All funding sources require separate reporting and data collection. When multiple funding sources are used, as is usually necessary, additional burdens are placed on developers with limited staffing to track the information required and report on a timely basis.

California localities receive federal subsidies for affordable housing through a number of programs. Like state programs, federal programs often change in terms of program details, application procedures, and amount of subsidy dollars available. State agencies also play an important role in providing housing assistance by allocating federal housing funds and/or making loans available to affordable housing developments. The three principle agencies involved are the State Treasurer's Office, the California Housing Finance Agency (CalHFA), and the California Department of Housing and Community Development (HCD). Competition for available funding is keen and is expected to become more intense in view of current and projected government deficits.

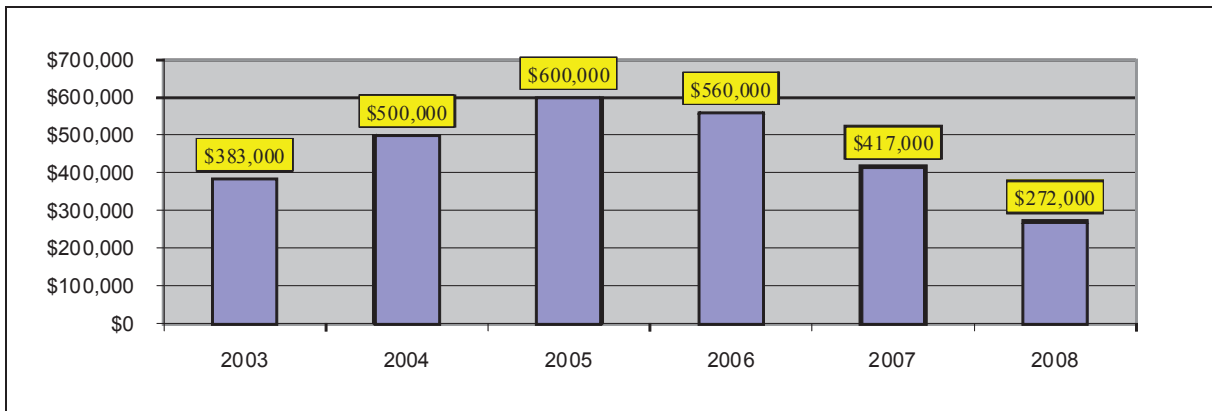
Local government resources, which have played a less important role in the past supporting housing development, now play a fairly significant role by making local developments more competitive for federal and state financing. There is considerable competition for the program funds that are available, and any one development will need to draw upon multiple resources to be financially feasible. When developments are able to demonstrate a financial commitment and contribution from local sources – especially if coupled with regulatory support through policies such as fast-track processing, fee waivers, and/or density bonuses – they have a much higher chance of ensuring a projects' success.

### **2.2.e (1) Single-family Sales Units**

Since 2003, the median single-family home sales price ranged from a low of \$383,000 to the 2006 high of approximately \$615,000. From 2004 to 2006, home prices increased by approximately 50 percent. Since that time, the peak prices have declined by 55 percent, and are continuing to decline. Based on information provided by a local real estate agent prices are decreasing, and foreclosures and short sales are common. The current median home prices of \$272,000 is 55 percent lower than the 2006 peak. The Hollister median home price is slightly

higher than the median home price of a home in the State as a whole, which is currently \$249,000. This volatility in median sales price is due in part to the speculative housing demand and problematic lending standards that have resulted in housing problems throughout the State and nation.

**CHART 6**  
**MEDIAN SALES PRICE TREND -CITY OF HOLLISTER**



Source: Onboard Information, February 2009

#### **2.2.e (2) Current Single Family Listings**

During February 2009, 38 single-family units were listed for sale in Hollister, with the majority priced in the \$103,900 to \$299,000 range.

**TABLE 40**  
**CURRENT SALES LISTINGS FOR SINGLE FAMILY HOMES**

PRICE RANGE	NUMBER OF UNITS AVAILABLE
Below \$100,000	0
\$100,000- \$149,999	2
\$150,000- \$199,99	7
\$200,000- \$299,999	20
\$300,000- \$399,999	6
above \$400,000	3

Source: Multiple Listing Service, February 2009

During February, 3 condominium properties were listed for sale in Hollister, all selling for between \$115,000 and \$142,900.

**TABLE 41**  
**CURRENT SALES LISTINGS FOR CONDOMINIUMS**

PRICE RANGE	NUMBER OF UNITS AVAILABLE
Below \$100,000	0
\$100,000- \$149,999	3
\$150,000- \$199,99	0
\$200,000- \$249,999	0
\$above \$250,000	0
Source: Multiple Listing Service, February 2009	

### **2.2.e (3) Rental Units**

According to the 2000 Census, the median rent was \$720 in the City of Hollister, compared to \$715 for San Benito County. Based on information provided by a local realtor, the current average market rents range from \$800 for a two-bedroom unit to \$1,400 for a four-bedroom unit.

The identified rental apartments in the City of Hollister are a combination of affordable and market rate units. There are currently four complexes providing affordable housing under HUD, USDA, and LIHTC programs for families, farm-workers, and seniors. The affordable housing complexes range in size from 19 units to 116 units in size. Home rentals are somewhat more expensive, and range from \$1000 to \$2,100.

**TABLE 42**  
**CURRENT AVERAGE RENTS**

Bedroom Type	Average Market Rents
Two-Bedroom	\$900
Three-Bedroom	\$1,150
Four-Bedroom	\$1,400
Source: The Pivetti Company, February 2009	

### **2.2.e (4) Affordability**

Affordability is defined as a household spending 30 percent or less of household income for shelter. Shelter is defined as gross rent or gross monthly owner costs. Gross rent is the contract rent, plus utilities. In most cases, the contract rent includes payment for water, sewer and garbage. Gross monthly owner costs include mortgage payments, taxes, insurance, utilities, condominium fees, and site rent for mobile homes.

As noted in Table 20 in the previous section, 28.4 percent of renter households pay in excess of 30 percent of their income for shelter while 26.8 percent of owners overpaid in 2000. To put this in perspective, the maximum rent that can be charged to be considered affordable housing based on income is reflected in the following Table 39. The average rents listed in Table 38 are less than the maximum affordability for low income households. Despite this trend for increasing rents, Hollister has remained relatively affordable. For instance, while households within the very low-income categories could not afford the average market rents within the City, most market rents are affordable to those households within the low-income category.

**TABLE 43**  
**AFFORDABLE RENTAL RATES**

Income Range	Maximum Affordability				
	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Extremely Low	<\$409	<\$438	<\$526	<\$607	<\$678
Very Low	\$682	\$731	\$877	\$1,013	\$1,131
Low	\$1,091	\$1,169	\$1,403	\$1,620	\$1,809
Moderate	\$1,636	\$1,218	\$2,104	\$2,431	\$2,714
Above Moderate	>\$1,636	>\$1,218	>\$2,104	>\$2,431	>\$2,714
Source: California Tax Credit Allocation Committee Maximum Rent Schedule 2008, San Benito County					

While shelter costs for rental units are estimated to be affordable at 30 percent of gross income, households are generally able to obtain a mortgage loan based on 35 to 40 percent of gross income. In light of the current mortgage crisis, these limits are being given renewed consideration. This is subject to individual credit and budgeting conditions and those with less revolving loan-type debt can usually find financing for a more expensive home. For instance, very low-income households in Hollister could afford a home priced approximately \$154,000, depending on the interest rate (typically 6%) currently there are nine (9) home available in that price range.

## **2.2.f. AT - RISK HOUSING**

California Housing Element Law requires all jurisdictions to include a study of all low-income housing units which may at some future time be lost to the affordable inventory by the expiration of some type of affordability restrictions. The law requires that the analysis and study cover a five-year and a ten-year period, coinciding with updates of the Housing Element. Expiration of the low-income use period of various financing sources, such as Low-income Housing Tax Credit (LIHTC), bond financing, density bonuses, California Housing Finance Agency (CalHFA), Community Development Block Grant (CDBG) and HOME funds and redevelopment funds.

## 2.2.g INVENTORY OF AT RISK RENTAL HOUSING UNITS

The following inventory includes government assisted rental properties in the City of Hollister that may be at risk of opting out of programs that keep them affordable to very low and low income households over the five year Housing Element Period (2009-2014) and for the subsequent five years (2019). Generally, the inventory consists of Housing and Urban Development (HUD) subsidized and USDA Section 515 properties that are at risk. As indicated by the California Housing Partnership Corporation, target lower income populations including extremely-low income groups, very-low income groups, and seniors. At-Risk units indicate units that may convert to market rate within 5 years, a Lower Risk project may convert within 5-10 years.

The process of selling out of affordable programs is a thorough and lengthy process which requires notices to local government and local housing authorities. Appendix D-D of this housing element lists housing non-profit organizations known to both the State and local governments as being interested in acquiring at-risk units and maintaining affordability for the life of the structure.

The listed deed-restricted affordable housing developments in Hollister that are at risk of converting to market rate (see Table 44 below) utilize the Rural Development's Section 515 direct mortgage program; some were originally FarmHome projects and some were originally Section 8. This program granted 40-year loans with a 1 percent interest rate. Many loans were pre-payable in 20 years, and all projects had Section 8 or rental assistance. The City will continue to emphasize the importance of maintaining and preserving at-risk units; as evidenced by Implementation Program H.S in Section 4.0.

**TABLE 44**  
**AFFORDABLE HOUSING DEVELOPMENTS AT RISK OF CONVERSION**

PROJECT	# OF UNITS	COMPLETION DATE	FINANCING PROGRAM	HOUSING TYPE	At Risk or Lower Risk
Villa Luna 850 Hillcrest	116	1985	Section 515 originally (Section 8)	Low income rental	Lower Risk
Prospect Ave. Sr. Apts. 190 East Park St.	19 (1 Manager unit)	1985	Section 515	Senior, Very low	At Risk (2010)
Prospect Villa II 970 Prospect Ave.	42	1992	Section 515	Low Income Senior Multifamily	Lower Risk (2017)
Prospect Villa 1 998 Prospect Ave.	14	1998(2002)	Section 515	Senior and Very Low	Lower Risk (2018)
Park Street 110 Park St.	40	1984	Section 515	Low Income	Lower Risk
Total Units	262				

## **2.2.h COST ANALYSIS**

In order to provide a cost analysis of preserving “at-risk” units, costs must be determined for rehabilitation, new construction, or tenant-based rental assistance.

### **2.2.h(1) Rehabilitation**

The factors used to analyze the cost to preserve at risk housing units include acquisition, rehabilitation, and financing costs. Both new construction and rehabilitation utilize an assumption of 1,000 square foot units, on a typical market rate 40 unit project. These figures are estimates since actual costs will depend on condition, size, location, existing financing, and the availability of financing. Information from similar projects, in addition to the cited sources, has added helped in formulate the numbers in the following tables.

**TABLE 45  
REHABILITATION COSTS**

<b>Fee/Cost Type</b>	<b>Cost per Unit</b>
Acquisition	\$74,985
Rehabilitation	\$39,000
Financing/Other Costs	\$35,015
<b>TOTAL COST PER UNIT</b>	<b>\$149,000</b>

Source: Laurin Associates, Marshall and Swift Residential Cost Handbook 2004.

### **2.2.h (2) New Construction/Replacement**

The following cost estimates are estimates based on recent new apartment construction in San Benito County. The actual replacement costs for any of the at-risk units will depend on many variables such as the number of units, location, density, unit sizes, on and off-site improvements, and both existing and new financing. Again, local developers have provided information.

**TABLE 46  
NEW CONSTRUCTION/REPLACEMENT COSTS**

<b>Cost/Fee Type</b>	<b>Cost Per Unit</b>
Land Acquisition	\$24,000
Construction	\$265,000
Financing/ Other Costs	\$79,500
<b>TOTAL PER UNIT COST</b>	<b>\$368,500</b>

Source: Laurin Associates, Chelsea Investment Corp.

## **2.2.i. PRESERVATION RESOURCES**

Efforts by the City to retain low-income housing must be able to draw upon two basic types of preservation resources: organizational and financial. Qualified, non-profit entities need to be made aware of the future possibilities of units becoming “at-risk”. Should a property become “at-risk”

the City maintains an active list of resources in which to preserve that property. A list of potential organizational preservation resources is provided in Appendix E-E of this document.

In addition, the City of Hollister has identified procedures for actively monitoring noted at-risk properties, with the goal of preserving at-risk units. Identified procedures include:

- ❑ Monitoring the “Risk Assessment Report” published by the California Housing Partnership Corporation (CHPC) to assess federally financed projects.
- ❑ Maintain regular contact with the local HUD office regarding early warnings of possible opt-outs.
- ❑ Maintain contact with the owners and managers of existing affordable housing to determine if there are plans to opt-out in the future, and offer assistance in locating eligible buyers.
- ❑ Develop and maintain a list of potential purchasers of at-risk units and act as a liaison between owners and eligible purchasers.
- ❑ Ensure that all owners and managers of affordable housing are provided with applicable State and federal laws regarding notice to tenants of the owner’s desire to opt-out or prepay. State law requires a 12 month notice.

The following is a list of potential financial resources considered a part of the City's overall financial plan to preserve and retain affordable units. The number and availability of programs to assist cities and counties in increasing and improving their affordable housing stock is limited, and public funding for new projects is unpredictable. The following is a list of local, state and federal programs.

- ❑ Hollister Redevelopment Agency- the RDA sets aside 20% of its tax increment funds for the production or retention of affordable housing.
- ❑ Home Investment Partnerships (HOME) Program and Community Development Block Grant Program (CDBG) - The HOME Program was created under Title II of the Cranston-Gonzales National Affordable Housing Act enacted on November 28, 1990. The City of Hollister participates in State of California Small Cities program for both the HOME funds and for CDBG funds
- ❑ Community Reinvestment Act (CRA) - Federal law requires that banks, savings and loans, thrifts, and their affiliated mortgaging subsidiaries, annually evaluate the credit needs for public projects in communities where they operate. Part of the City's efforts in developing preservation programs will be to meet with the Community Reinvestment Act Lenders Group organized by the County to discuss future housing needs and applicability of the Community Reinvestment Act. Although an unpredictable resource, it is important to establish a working relationship for future problem solving.
- ❑ Low-income Housing Tax Credit Program (LIHTC) - The LIHTC Program provides for federal and state tax credits for private and non-profit developers and investors who agree to set aside all or an established percentage of their rental units for households at or below 60 percent of AMI for no less than 30 years. These tax credits may also be utilized on rehabilitation projects, contributing to the preservation program.

- ❑ The Affordable Housing Program (AHP) and Community Investment Program (CIP) are facilitated by the Federal Home Loan System for the purposes of expanding the affordable housing supply. The San Francisco Federal Home Loan Bank District provides service to San Benito County, and throughout California. Subsidies are awarded on a competitive basis usually in the form of low-interest loans and must be used to finance the purchase, construction, and/or rehabilitation of rental housing.
- ❑ The Predevelopment Loan Program, conducted through HCD, provides the funds to pay the initial costs of preserving existing affordable housing developments for their existing tenants. Priority is given to applications with matching financing from local redevelopment agencies or federal programs.
- ❑ Rural Seed Money Loan Programs, operated through the Housing Assistance Council operates revolving loan funds to provide seed money for rural housing and development projects intended to benefit very low- and low-income persons.
- ❑ Preservation Financing Program, operated through California Housing Finance Agency (CHFA), offers tax exempt financing for the acquisition or refinancing of a project with an expiring Section 8 contract.

### **2.2.j. REDEVELOPMENT AGENCY**

The City of Hollister has a redevelopment agency to provide staff support for administering rehabilitation funds for low-income homeowners and other housing programs. By State law, the Hollister Redevelopment Agency (The Agency) will set aside 20 percent (%) of the gross tax increment revenues received from the Redevelopment Area into a low to moderate income housing fund for affordable housing activities. As can be seen in Table 47 below, during the current housing element period 2009-2014 (calendar years 1010 to 2014), the Agency estimates accruing \$10,150,000 in funds to the low/mod fund account. Estimates of future funding accruals to the agency are based on the best information available, considering weakening tax revenues and uncertain government recapture programs aimed at closing the State budget gap. The identified funding levels are goals set by the Hollister Redevelopment Agency, subject to RDA Board approval.

Agency funding will continue to be available through the low and moderate income housing set-aside for affordable housing and housing related purposes. The City of Hollister maintains a relationship with two primary partners in the development of affordable projects, South County Housing and Community Services Development Corporation. The Plan's identified goals, including housing and housing related goals are as follows:

- To provide a stable, diversified and larger economic base for the Project Area and community,
- To conserve and improve existing public facilities and to provide such new facilities as needed for the full and complete development of the Project Area,
- To provide a safer, more efficient and economical movement of persons and goods within the Project Area and community,
- To provide additional housing opportunities in the Project Area and community,

- To enhance the physical environment of the Project Area and to emphasize its favorable environmental characteristics,
- To improve the physical condition of the public and private buildings in the Project Area including a reasonable level of earthquake resistance.
- To provide for downtown revitalization and the development of vacant sites resulting from earthquake or fire,
- To pursue a Redevelopment Plan Amendment.

The Hollister RDA is participating in funding several projects, affordable to lower income groups. The Agency has been prohibited from moving forward with these projects due to the sewer moratorium. Since the moratorium has been lifted, the projects are now moving forward and are at different stages in the development process.

1. Meadows Vista (formerly known as Bridgevale): 72 Unit very low income senior complex. The project received Site and Architectural approval in November, 2007, and is expected to be complete in 2010. The RDA has committed \$4.2 million from the Low/Mod set aside fund.
2. Hillview: 25 unit SF housing project (low income). The project is expected to be complete in 2011. The RDA has committed \$700,000 from the Low/Mod set aside fund for this project.
3. The Westside/Palmcourt (approved as one project): a 12 unit low income apartment project. The project (agency) is currently in negotiations on an owner participation agreement with the developer, and is expected to be finalized in the winter of 2009. The RDA has committed \$1 million from the Low/Mod set aside fund for the project; the developer is requesting an additional \$8.5 million.

To target goals in the Hollister Redevelopment Agency (RDA) 2005-2009 Five-Year Implementation Plan, and in anticipation of the 2010-2014 Five Year Plan, the housing element has identified the following housing and housing related programs targeting lower income families with LMI Funds (set-asides).

- Publicize low-income homeowner's assistance for housing rehabilitation and the availability of other funding mechanisms to help with home upkeep and maintenance, such as reverse mortgages for seniors on fixed incomes. Utilize Redevelopment Agency funds that are available for rehabilitation purposes. Facilitate greater participation in the program by increased advertising and by encouraging resident participation,
- Facilitate the construction of affordable housing at key sites to meet the City's "Fair Share" of the regional housing need for *very low, low and moderate*-income households. Ensure that local affordable housing developments will be competitively positioned to access affordable housing finance sources (such as tax credits and tax-exempt bonds). Facilitate the development or rehabilitation of affordable housing by using redevelopment set-aside funds to assist in any on and off-site mitigation that may be required or to provide gap financing.
- Participate and allocate funds, as appropriate, for nonprofit programs providing emergency shelter and related counseling services.

- Renew the Redevelopment Agency funded Owner Occupied Rehabilitation program to assist homeowners with necessary home repairs and certain limited upgrades.
- Renew the Redevelopment Agency funded Mortgage Credit Certificate (MCC) program to provide tax relief to first time homebuyers who qualify under the program income guidelines.
- Redevelopment Agency funded Residential Foreclosure Reestablishment Program to provide assistance where homes have been foreclosed on or purchased by institutions. The City will partner with a non-profit developer to purchase, rehabilitate and offer first time purchase assistance to place vacant homes back in the marketplace and to assist potential purchasers who otherwise may not be able to buy a home, enter the market; funded in the amount of \$1 million per year.
- Renew housing program and guidelines for a Redevelopment Agency funded program to provide a First Time Homebuyers (FTHB) down payment assistance program which would provide a second mortgage to low and moderate income families.
- Develop housing program and guidelines for Redevelopment Agency funded Tenant Based Rental Assistance program that would provide a rental reimbursement payment to low and moderate income families.

**TABLE 47**  
**HOLLISTER REDEVELOPMENT AGENCY, SET-ASIDE FUNDING**  
**HISTORICAL AND PROJECTED**

<b>Year</b>	<b>Set-Aside RDA Funding</b>
2004	\$1,296,240
2005	\$1,387,843
2006	\$2,088,511
2007	\$2,192,173
2008	\$2,300,240
2009	\$2,412,900
<b>Total</b>	<b>\$11,677,907</b>
2010	\$1,900,000
2011	\$1,950,000
2012	\$2,000,000
2013	\$2,100,000
2014	\$2,200,000
<b>Total</b>	<b>\$10,150,000</b>
<b>Grand Total</b>	<b>\$21,827,907</b>

## **2.2.k. RESIDENTIAL ZONING AND DENSITY**

Zoning districts specify minimum lot size, permitted uses, conditional uses, building height and front, rear, and side yard setbacks. Zoning districts further the health, safety, and welfare of the residents. Zoning standards originate from the General Plan. In the City of Hollister, residential zoning targets all income groups. The City has made it very clear that residential development is welcome and supported.

### **2.2.k. (1) Zoning**

Title 17 of the Hollister City Code provides the zoning provisions for the City. Residential zoning for the City of Hollister is defined as follows:

#### **RE – Residential Estate District (1 du/5 Acres).**

The Residential Estate (RE) zoning district provides for residential development at densities up to one dwelling unit per 5 net acres; it is intended to provide for very low intensity residential development where all urban services may not be required. The RE District is intended to provide sites for larger, distinctive residences. The RE zoning district is consistent with the Residential Estate (RE) land use category of the General Plan.

#### **R1 – Low Density Residential District (1-6 du/Acre)**

The Low Density Residential (R1) zoning district includes areas substantially developed with existing single family residential residences prior to 2005 with densities of one to 6 dwelling units per net acres. The R1 zoning district is consistent with the Low Density Residential (LDR) land use category of the General Plan.

#### **R2 – Two Family Residential District (7-12 du/Acres)**

The Two Family Residential (R2) zoning district provides for duplexes or two-family dwellings. Areas designated R2 were substantially developed prior to 2005 with two single-family residential units on a lot or duplexes. The R2 zoning district is consistent with the Medium Density Residential (MDR) land use category of the General Plan.

#### **R3 – Medium Density Residential District (8-16 du/Acres)**

The Medium Density Residential (R3) zoning district provides for medium and medium to high density residential development at densities from 8 to 16 dwelling units per net acres.

Areas designated R3 were substantially developed prior to 2005 and are generally characterized by apartments and other high density residential development, and planned residential development at a density of 16 dwelling units per acre. The R3 zoning district is consistent with the Medium Density Residential (MDR) and High Density Residential (HDR) land use category of the General Plan.

R4 - High Density Residential District (12-35 du/Acres)

The High Density Residential (R4) zoning district provides for high density residential development at densities from 12 to 35 dwelling units per net acre. Areas designated R4 were substantially developed prior to 2005 and are generally characterized by apartments and other high density residential development, and planned residential development at a density of 16 or more dwelling units per acre. The R4 zoning district is consistent with the High Density Residential (HDR) land use category of the General Plan.

Residential Performance Overlay Zone District (R-1 L/PZ, R-3 M/PZ and R-4 H/PZ)

This overlay district applies to vacant land within the City of Hollister. The intent of the overlay district is to foster development that meets the range of densities for the General Plan land use designation with the option for flexible standards to implement policies and programs in the General Plan. A project approved in this zone may have a variety of housing types and densities but the zoning ordinance requires that the overall average development density of the development adhere to range of the minimum and maximum density allowed in the applicable district. This means that an apartment complex could be constructed in the Low Density Residential R1-L Performance Overlay zone along with single family homes as long as the density ranged between one to eight units per acre. Conversely, some single family residential units could be constructed in the R3-M Performance Overlay zone provided that the development density is not less or more than the minimum of maximum allowed in the district of eight to 12 units per acre.

An average development density of one to eight units per net acre is now required in the R1 L/PZ overlay zone with a targeted density of at least six units per net acre. An average development density of eight to 12 units per acre is required in the R3 M/PZ overlay zone and an average of 12 to 35 units per acre is required in the R4 H/PZ overlay zone. The overlay zoning will provide an incentive for property owners to include a variety of housing types with new residential development.

For example the recent allocation for the project, 'The Villages' is a residential project in the R1-L/PZ overlay zone. Over four acres of the site is within the 100 year flood plain. With the performance overlay zone, the allocated project integrated flexible lot sizes ranging from 3,200 square feet to 5,500 square feet while maintaining an overall net development density of six units per acre and avoiding development of the flood hazard area. The varied lot sizes will provide a wider range of prices for market rate units. In the past, this type of project would typically be approved with either 1) A standard residential development with residential lots sizes of 6,000 to 7,700 square feet and avoidance of the flood hazard area would have reduced the overall build-out of the property; or 2) a Planned Unit Development which would require an amendment to the zoning map and longer processing times for City Council ordinance amendments and additional application fees.

The Rajkovich project also provided flexible densities to accommodate a 100 unit affordable apartment project in the R1-L/PZ overlay zoning district. The average density for this recently allocated project will be eight units per acre

There are two Housing Programs included in this Housing Element to stimulate the construction of affordable multi-family affordable housing particularly in the R3-M and R-4 H Performance Overlay zones. Program H.N. commits the City of Hollister to establishing a new R4-20 zoning district with a minimum development density of 20 units per acre by the end of 2009. Development in this district would meet the default density for affordable housing. Program H.O triggers a rezone for projects in a Performance Overlay zone that propose a portion of the residential development for lower residential development densities than the district allows. The City will then initiate the rezoning of a remaining portion of the property to the R4-20 zoning district to assure that at least the average minimum development density of the property of the applicable zoning district is met and that affordable multi-family housing will be constructed.

The Performance overlay zone also provides flexibility to accomplish other general plan goals. General Plan policy calls for transitions between established neighborhoods. With the performance overlay zone, the Rajkovich project was designed to place larger market rate homes next to an established neighborhood with similar lots sizes. The interior of the development was designed with small lots which provided space for an on-site recreation area and again more diversity in the size and types of single family homes.

The overlay district calls for the following measures:

- a. A variety of lot sizes and choices for housing types in all zoning districts.
- b. New development with interesting street patterns, site planning and neighborhood design.
- c. Connections of the new development with the rest of the City for pedestrians and bicyclists.
- d. Incorporation of on-site recreation, pedestrian links between adjoining properties, trails or easements in the vicinity of drainages and water courses in new development.
- e. Clustered development that meets the average General Plan density for the property while avoiding development in areas with environmental constraints such as flood, seismic, liquefaction, special habitat area.
- f. Lot design and building orientation to provide solar access.

- g. Sensitive integration of the scale and mass of new development preserves the character and scale of existing residential neighborhoods.

Lands with R-1 L/PZ overlay zone predominantly include vacant land within the City of Hollister in the Low Density Residential (1-8 units per net acre) land use category of the General Plan. An average development density of 1 to 8 units per net acre is required in this overlay zone with a targeted density of at least six units per net acre.

Areas with the R-3 M/PZ overlay zone comprise vacant land within the City of Hollister in the Medium Density Residential (8-12 units per net acre) land use category of the General Plan. An average development density of 8 to 12 units per net acre is required in this overlay zone.

Areas included in the R-4 H/PZ overlay zone encompass vacant land within the City of Hollister in the High Density Residential (12-35 units per net acre) and use category of the General Plan.

#### HO – Home/Office District (8-12 du/Acres)

The Home Office (HO) zoning district is primarily a medium density residential zoning district that provides the option for small scale professional office uses, artist/craft studios, beauty salon and specialty cottage businesses in the same area around the central core of the community. Residential densities may range from detached single-family housing, to lower density multi-family housing. It is the intent of this district to preserve the essential historic characteristics of the General Plan 'Old Town Residential Area' of Hollister while providing a transitional zone between the downtown commercial uses and older residential uses. The HO zoning district is consistent with the Home Office (HO) land use category of the General Plan. The residential development density is 8 to 12 units per net acre.

#### OT – Old Town District

The Old Town (OT) zoning district applies to the residential neighborhoods that include the original town of Hollister, as laid out by the San Juan Justo Homestead Association, its early subdivisions, and adjacent older residential areas. Within this district are numerous lots of unusual size and shape, many of which were originally designed to accommodate stables, barns, and other outbuildings. In addition many areas of this district are occupied by a varied mix of residential types and densities. The majority of the housing stock was constructed prior to World War II. Some of the homes in this district are listed in the National Monterey Street Historic District. South of Fourth Street, the Old Town (OT-M) zoning district is consistent with the Medium Density Residential Land use category of the General Plan with residential development densities from 8 to 12 dwelling units per net acre. Areas within the OT-M district could have single family homes, duplexes, fourplex, cottages and housing on small lots. This district also encompasses the General Plan Old Town Special Planning Area. North of Fourth Street, the Old Town (OT-H) district is consistent with the High Density Residential category of the General Plan with residential

development densities from 12 to 35 dwelling units per net acre. The Old Town-H district provides for infill development of small lots, apartments and other high density residential development.

The additional purpose of the OT-M district is to provide for the infill of detached single family dwellings on small lots and small scale medium density dwellings where the minimum density is not less than eight (8) units per net acre and the maximum density is not more than twelve (12) units per net acre without density bonus.

The additional purpose of the OT-H district is to provide for the infill of detached, attached, medium density and multifamily dwellings where the minimum density is not less than sixteen (16) units per net acre and the maximum density is not more than thirty five (35) units per net acre without density bonus.

#### RWF – Residential, West Fairview Road District (2-8 du/ Acres)

The RWF (West Fairview Road district) establishes zoning regulations for the area defined by the West Fairview Road Specific Plan. The West Fairview Road Specific Plan provides for comprehensive land use, circulation and infrastructure plans, development and design policies, housing strategies and implementation programs for guiding and ensuring the orderly development of the plan area. The intent of these regulations is to implement the specific plan and the City General Plan, as well as to allow for a mix of housing types and densities. All of the land in the Residential, West Fairview Road District is part of an approved 667 unit subdivision with 50 very low-income apartments, 50 low-income apartments, 60 moderate-income duettes and the balance consisting of market rate single family homes.

#### **Mixed Use**

The City has adopted three new Mixed Use zoning districts, the Downtown Mixed Use District, the Neighborhood Mixed Use District, and the West Gateway (Mixed Use) District. The mixed use districts will encourage retail ground floor uses with a mix of office and residential uses on one to two floors above the ground level or a mix of commercial and high density residential development in an area. The mixed use districts are located in the West Gateway, in the historic central commercial downtown core of Hollister along with industrial re-use areas east and south of downtown, and in infill sites near a newer commercial area in the southern area of the city. The three mixed use areas are discussed in more detail below. Many incorporated lots that have been rezoned to mixed use are currently vacant, while others contain commercial and reuse of industrial uses. The City approved a density range of 20 to 35 units per acre for the West Gateway mixed use area, 20-25 for the Neighborhood Mixed Use areas and a high density of 25 to 40 units per acre for the Downtown Commercial Mixed Use area. At this density, additional housing capacity exists for the approximate 2,000 units. It is the City's expectation and goal that a mixture of housing prices will be built within the mixed-use districts affordable

to lower income households as well as moderate and above moderate income households.

Approximately 50 acres of mixed use could be available for reuse over the long term as some heavy industrial land uses transition out of the downtown area and east of downtown.

#### DMU – Downtown Mixed Use

The Downtown Mixed Use (DMU) zoning district encompasses the historic commercial core of Hollister and portions of the district are part of a National Historic district. The replacement of the previous General Commercial District with a mixed use district now provides for a vertical or horizontal combination of commercial and residential uses around the central core of the community. The designation is intended to encourage ground floor, pedestrian friendly, retail sales and service uses with upper floors of office and residential uses. The DMU District should be a unique destination with restaurants, theaters, boutique retail, neighborhood convenience stores, restaurants, regionally-oriented specialty stores, medical and dental offices, and residential densities of 25 to 40 units per net acre. Drive-through windows and outdoor car, truck and auto sales and auto repair are prohibited.

Currently, there are at least 12 historic buildings in the downtown with second floors that were previously used for residential units, a hotel or other uses but are now substantially vacant. The mixed use district allows re-use of these buildings for residential uses, in addition to commercial uses. Within the Downtown Mixed Use district, there are also approximately 11 vacant lots that are now available for development due to the recent lifting of the sewer moratorium.

#### NMU – Neighborhood Mixed Use

The Neighborhood Mixed Use (NMU) zoning district provides for pedestrian-oriented commercial uses of low intensity and of a neighborhood character which serves the convenience retail and service needs of nearby residents and high-density residential at densities of 25 to 35 units per net acre. The properties in the NMU district east and south of downtown Hollister are in a transitional area where industrial uses are identified to be replaced with mixed use. There are also single-family homes on small lots in portions of this district that are prime candidates for higher density housing, with participation in the City's lot consolidation program. Capacity for additional units in this area would further add to opportunities for residential development, including homes affordable to lower income households. The other properties in the NMU district are contiguous to the neighborhood shopping centers, on the newer south central area of the city (Tres Pinos/Sunnyslope Road) with supporting neighborhood-related convenience businesses.

### WG – West Gateway

The new West Gateway (WG) mixed-use zoning district replaced the previous Highway Commercial and Industrial zoning districts at the west entrance to Hollister. The change reflects the realignment of Highway 156 away from this commercial area. The new West Gateway mixed use district provides for a series of parcels with neighborhood commercial, rather than highway commercial, and multi-family residential uses as a retail-oriented entry boulevard at the west entrance to the City of Hollister near the San Benito River. The designation is intended to provide convenience services to regional traffic on Highway 156, encourage community shopping, retail and offices with medium to high density residential uses at a density of 20 to 35 units per net acre outside of downtown Hollister. The City of Hollister Redevelopment Agency has committed to installing a gateway sign, landscaping and lighting improvements in the West Gateway in 2010. Such improvements include a possible median for traffic calming that will enhance the west entrance to the City, improving pedestrian corridors and stimulating new development.

### 2.2.k. (2) Density

Residential densities permitted in the City of Hollister are identified in the General Plan. The Zoning Code is a tool that implements the densities identified in the General Plan Land Use Chapter. They provide the basis for land use decision in the City as well as the specific requirements and standards. The City recently adopted a new Zoning Code, Title 17 to implement the densities in the General Plan, bringing consistency between the two documents.

The General Plan contains a range of densities providing for rural residential uses in the Residential Estate district density of 1 unit per 5 net acres in the lower end of the residential densities, up to a 12 to 35 units per net acre in the High Density Residential district. The General Plan also makes provision for mixed use opportunities; home office uses, open space requirements, and contains specific plan overlay designations. All land uses in the General Plan are implemented in the new Zoning Code.

It should be noted that the City Council directed staff to revisit the off-street parking standards for multi-family residences to provide a better correlation between the number of bedrooms in a multi-family unit and the parking requirements. It is possible that the spaces required for studios and one-bedroom units will be reduced while spaces for units with three or more bedrooms will be increased. The City Council has also directed staff to amend the Zoning Ordinance to allow review of proposed mixed use/residential development in the Measure Y exemption area on a case-by-case basis rather than with the current requirement to use the R4 residential standards (see Program H.E). The intent is to stimulate development in the Measure Y exemption area for the variety of development types, including re-use of upper floors, infill of small and medium vacant lots, and opportunities for lot consolidation.

**TABLE 48**  
**RESIDENTIAL ZONING, USEABLE DENSITY, OFF-STREET PARKING**

<b>Zoning Category</b>	<b>Minimum Lot Size</b>	<b>Density Type</b>	<b>Density Per Acre</b>	<b>Off-Street Parking</b>
RE	5 Acre	Very Low	1 unit/5 acre	2 spaces
R1	5500	Low	1 unit/8 acre	2 Spaces
R2	8000	Medium	8-12 units/acre	A
R3	5000	Medium	8-12 units/acre	A
R4	8000	High	12-35 units/acre	A
R1 /LPZ	2,500 with a performance agreement	Average Low	1- 8 units/acre	2/ A
R3 /MPZ	2,500 with a performance agreement	Average Medium	8 - 12 units/acre	2/ A
R4/HPZ	7,000	Average High	12-35 units/acre	A
HO	Same as Old Town	Medium	8-12 units/acre	A (One per resident or per 250 square feet for commercial office uses)
OT (M)	5000	Medium	8-12 units/acre	A
(H)	5,500	High	12-35 units/acre	
RWF	6,000		2-22	2-3 car garage
DMU	Flexible (Programs H.E & H.H)	High	25-40 units/acre	A
NMU	7,500	High	25-35 units/acre	A
WG	7,500	Medium/High	20-35 units/acre	A

Source: Hollister Title 17

Note

A: Two spaces per unit; 0.50 space per unit for guest parking.

### Second Units

A second unit dwelling is a small accessory unit in addition to the main house (dwelling unit) on a single lot. Sixteen accessory units were approved during the last program period but only five were built due to the moratorium. The City anticipates the construction approximately 50 second units during the 2009-2014 Housing Element period. The estimate is based on the level of interest demonstrated to the Planning Department, and on the desire and willingness of the City to encourage such units. The likelihood of the units serving lower income needs is high based on inquiries of property owners interested in housing an elderly family member because of high health care costs and limited assisted living facilities in the city, but cannot be demonstrated by past

activity. Therefore, the units may serve moderate and above moderate income needs as well. Second units have the following benefits:

- (1) They provide flexibility for the owner of the main home, an apartment for elderly parents, or a source of income;
- (2) When rented they can help make home-ownership affordable for the owner of the home;
- (3) They can provide flexibility for seniors or other homeowners who rent their primary dwelling because they still want to live in the same neighborhood;
- (4) They provide lower cost housing because the units tend to be small and there are no extra land costs;
- (5) They typically provide lower cost housing for younger households (under 34) and seniors (65 years plus), and these are the demographic groups that have been identified as having the most significant low-income housing need in Hollister;
- (6) They are easier to fit into existing neighborhoods since they are small and are often attached to the main house.

In accordance with State law AB 1866, Section 17.22.040 Accessory Secondary Residential uses of the City Zoning Ordinance (part of Title 17, adopted in December, 2008), permits second units in any zoning districts where single family residences are allowed as a permitted land use and eliminates the need for a Conditional Use permit or any other discretionary review. The Planning Commission has directed staff to initiate a zoning ordinance amendment that would allow a second unit in the multi-family and mixed use zoning districts where a single family residence has been lawfully established prior to the adoption of the current zoning ordinances, the standards of a second unit can be met and there is not an opportunity for lot consolidation. Second units must conform to all zoning and development standards of the applicable district, identified at Section 17.22.040 of Title 17, excluding density standards. The ordinance requires a minimum lot size of 7,000 square feet for interior lots and 8,000 square feet for knuckle or corner lots. The maximum floor area of a second unit is 850 square feet, and the minimum floor area is 150square feet. Off-street parking is required for the second unit, in addition to the parking requirement for the main dwelling unit. The second unit is required to be architecturally compatible with the main unit, but the process is now a ministerial process.

In order to overcome the burdensome process of abating illegal second units, and face the possibility of eliminating an important source of affordable housing, the City approved what has come to be known as an "amnesty program" for such units. Under Section 17.22.040 of Title 17, Accessory Secondary Residential Structures, through an administrative permit only process, are allowed to be converted from an illegal structure, to a conforming legal unit. New second units are of course subject to regular building permit processing and complying with standards for an accessory second unit.

The City of Hollister expects second units to continue to be an important source of affordable housing. Market rents for such units are typically affordable to low and moderate-income families.

## **2.2.1. INFRASTRUCTURE AVAILABILITY**

### **2.2.1 (1) Wastewater Service and Capacity**

The City currently treats domestic and industrial wastewater at its new regional immersed membrane bioreactor (MBR) wastewater treatment plant located on the west side of the City, on the north side of San Juan Hollister Road. The plant has a design capacity of 5.0 million gallons per day (MGD) and produces effluent that meets Title 22 requirements for disinfected tertiary recycled water.

In accordance with the implementation Long Term Wastewater Management Plan (LTWMP) filed with the Water Quality Control Board, the City is currently implementing a long-term program of phased improvements for the disposal and reuse of reclaimed wastewater including spray fields, non-potable irrigation for landscaping, and certain agricultural uses. The new facility expands the City's ability to provide wastewater treatment service for the next 10 years, with an additional five years of expansion possible with the expansion of the membrane biological reactor. The City will continue to implement efforts to improve water quality and also to implement the water conservation measures.

### **2.2.1 (2) Water Service and Capacity**

The City of Hollister is served by the City water system in the west and central area and the Sunnyslope County Water District (SCWD) is the east and southeast portion of the City. All the development approved or proposed in the City is located within these established service areas and will be served by these agencies; therefore, water capacity is sufficient to serve the identified needs within the City. In accordance with the implementation measures in the General Plan Community Services and Facilities Element, the City will continue to work to identify additional water sources in order to provide adequate water for the additional housing units projected in the City's Sphere of Influence as the City expands beyond its current City limits.

The City of Hollister entered into a Memorandum of Understanding with San Benito County, and the San Benito County Water District to address the provision of adequate water supplies in the City and surrounding areas. The two primary measures are to implement a Groundwater Management Plan and to develop and implement the Hollister Urban Water (and Wastewater) Master Plan. Development of future sources and delivery mechanisms, paid for by future development projects, will ensure adequate water supplies through this Housing Element period. Measures being considered by the City to ensure adequate future water supplies include the following:

- Purchase additional water supplies
- Obtaining access to water from the San Felipe Project
- Percolation of the San Felipe Project water into the underlying aquifers

- Monitoring groundwater levels and the quantities of water recharged to and extracted from the underlying sub-basins
- Sharing water resources data between the agencies to allow for responsible decisions regarding water supply development and land use planning
- Developing policies regarding the provision of service to community water systems and small local water systems.

## SECTION 2.2.b

### **2009-2014 SITES INVENTORY**

In addressing the estimated housing needs identified in the Housing Needs Assessment section of this housing element, State law requires that this element contain *“An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment...”* This inventory must identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of housing types for households of all income levels.

According to the State Department of Housing and Community Development’s *“Housing Resources – Q&A,”* - *“The analysis of the relationship of suitable sites to zoning provides a means for determining the realistic number of dwelling units that could actually be constructed on those sites within the current planning period of the housing element. The analysis should also identify the zones the locality believes can accommodate its share of the regional housing needs for all income levels.”*

The City of Hollister falls under the jurisdiction of, the San Benito County Council of Governments (San Benito COG) for purposes of the RHNA determination. San Benito County COG uses a predominately demographic formula to allocate the regional housing needs among the incorporated cities (Hollister and San Juan Batista) and the unincorporated county. This process results in a Regional Housing Needs Assessment (RHNA) and the number reflected in that assessment must be considered when the housing element is prepared.

#### **2.2.a. Hollister RHNA (2007-2014)**

The Council of San Benito County Governments Regional Housing Needs Allocation for the period January 1, 2007 to August 31, 2014 determined that 10.9 percent of the households in Hollister are classified as extremely low-income, 10.9 percent very low-income, 17.4 percent low income, 19.7 percent moderate income and 41.1 percent above moderate income. In establishing the percentage of extremely low income households, following the California HCD recommended methodology, half of the very low income (10.9 percent), have been estimated to be extremely low income; therefore, 10.9 percent make up the very low income category.

For the period 2007 to 2014, the City of Hollister has been given a construction need of 3,050 new housing units. The specific need by income group is depicted in the following table. Construction need is annualized for each of the seven years of the planning period.

**TABLE 49**  
**HOLLISTER REGIONAL ALLOCATION (2007-2014)**

<b>Income Group/Percent of Households</b>	<b>Construction Need</b>	<b>Units Approved</b>	<b>Remaining Need</b>
Extremely Low -10.9%	335	56	279
Very Low - 10.9%	336	57	279
Low - 17.4%	518	113	405
Moderate - 19.7%	610	368	242
Above Moderate - 41.1%	1,251	590	661
<b>Total</b>	<b>3,050</b>	<b>1,184</b>	<b>1,866</b>
Source: San Benito COG, HCD/City of Hollister			

### **2.2.b. RHNA Allocations and Sites Inventory**

As part of the 2003-2008 Housing Element update, and subsequent revisions, an analysis of the residential development potential of vacant and underutilized land in the City of Hollister was completed during 2008. Appendix F-F provides detailed tables by Zoning District, of the availability of residentially zoned land and underutilized land throughout the City of Hollister that is being utilized to satisfy the RHNA. The City is able to count units approved but not yet built, towards the 2007-2014 RHNA. Currently there are a total of 1184 housing units that were approved with prior growth management programs.

As indicated in Table 49, 226 of these pending or approved units are in the lower income categories, 958 are in the moderate and above moderate categories. The City will utilize a combination of these approved pending units, vacant land, and some downtown vacant parcels and reuse of upper floors of existing buildings to demonstrate the City's ability to meet the 2007-2014 RHNA goals.

#### **2.2.b. (1) Income Group Goals**

For purposes of this submittal, the City has taken into account the requirement to address all income categories, including the extremely low income category. The purpose of the income group goals is to ensure that each jurisdiction within a COG attains its share of the state housing goal without any relative disproportionate distribution of household income groups. The following household income groups are defined according to the HUD Median Family Income (MFI) and Income Limits Table: Extremely Low Income (less than 30% of MFI); Very Low (less than 50 percent of MFI), Low (between 50-80 percent of MFI), Moderate (between 80-120 percent of MFI) and Above Moderate (greater than 120 percent of AMI).

### **2.2.c. Allocated Development Projects**

The following projects comprising 1,184 units are existing lots ready for construction or approved projects with growth management allocations that predate Measure U. Another **681** units were allocated for a three year period (2008-2010) under Measure U; these units are expected to be constructed during the program period. **There remain 20 allocations for an affordable housing project that can be awarded immediately.**

Pre-Measure U Allocations are as follows:

- Vista Meadows. This approved 72-unit very low-income senior housing project is being developed by South County Housing, one of the largest non-profit developers of affordable housing in the region. The 3-acre site is located on Park Street and is zoned R-3S.
- Westside Apartments. This approved project is being developed by Community Services Development Corporation (CSDC), a non-profit affordable housing developer located in Hollister. This project included a combination of approvals: 1) lot consolidation; 2) transfer of 11 allocations for housing from a code enforcement action; 3) demolition/relocation of residents at Palm Court and reconstruction of eleven existing rental units on a nearby one-acre site 4) new construction of eleven units. The project is located between on Westside Boulevard, Line Street and San Juan Road that is zoned R-3. The development will serve 22 large low-income families and 11 senior apartments. The project will contain 22 three and four-bedroom units, outdoor common space, and a play area for children. The RDA provided a \$1 million low-interest loan to this project.
- Hillview. South County Housing is developing 25 single-family houses for low-income households on this two-acre site on Buena Vista Road. The development density will be 8 units per acre. Homes are expected to be approximately 1,800 square feet with lots sizes ranging from 4,700 square feet to 7,500 square feet. This property is zoned R-1/L -PZ.
- Estancia Senior Village. Warmington homes is developing a planned unit development (PUD) housing project targeted to the senior market on a 24.40-acre site zoned R-3PD. The project will contain 166 market rate units approximately 1,544-to 2,156 square feet in size. Average lot size would be 4,321 square feet at a density of 6.8 units per acre market-rate housing affordable to moderate income households.
- West of Fairview. Award Homes is developing 677 housing units on 125 acres, zoned West Fairview Road District (RWF) in the West of Fairview Specific Plan Area. There will be 517 single-family dwelling units, 100 apartment units with 50 multifamily rental units designated very low-income, 50 multifamily units designated as low-income units and 30 garden homes will be reserved for moderate-income households.
- Intravia Duplex. A duplex has been approved on San Benito Street in the Central Residential (RD) District. The two market-rate units will be affordable to moderate-income households.
- Brigantino Unit 3. An approved 14 lots subdivision for market rate homes with an average density of 6.5 units per acre

- **Walnut Park 13.** A 20 unit subdivision for market rate homes with single family lots and an average density of 7.69 units per acre.
- **Market Rate Lots.** There are an additional 198 market rate dwelling units that can be constructed from the following developments: Anderson Homes – 6; Eden West – 55; Hillock Ranch – 41; La Baig 45, Las Brisas - Phases 7 & 8 – 17; Palmtag Subdivision – 2; Walnut Park Units 8A and 8B – 32.

The combined 3-year allocations from Measure U for 2008-2010 are listed below along with a description of the type of development. A summary table is also included below to further illustrate the allocations and the accompanying project densities.

- **Vales:** Neighborhood Mixed Use zoning district (20-35 du/acre) project with allocations for a traditional vertical mixed-use development with 24 units above 20,000 square feet of commercial retail/office space in two separate buildings and an attached apartment complex with 50 units in six buildings. The average development density 20 units per acre.
- **Thorning BBT:** West Gateway zoning district (20-35 du/acre) mixed use project that consists of two phases. The applicant requested and was approved for Phase 1 for a 4-story building and a 3-story building totaling 20,487 square feet of retail/office space and 64 units above and 10 attached two-story row houses with private courtyards and garages. The development density would be about 24 units per acre. The conceptual second phase has the potential for an additional 124 apartment units with an overall density of 24.75 units per acre.
- **Ladd Lane/TTI Developers:** Allocations for 54 units on an infill parcel in the R4-H/PZ zoning district (12-35 du/acre). The project has a combination of small lot single-family homes and three story apartment units. The average development density of the site would be 18 units per acre.

**Orchard Park/KT Properties:** Allocations for 91 units on a 9 acre R3-M/PZ Medium Density Residential site (8 -12 du/acre) with a combination of single-family detached homes on small lots for homebuyers at a density of ten units per acre.

**Cerrato Estates/Featherhill and Warmington Homes:** Allocations for 95 units in the R3-M/PZ zoning district (8-12 du/acre) with a combination of detached single-family dwelling component on approximately 4,000 square foot lots, zipper lots, townhomes and three story apartments. The overall density for this project is 9 units per acre.

**Walnut Park 13 Phase 2:** A 25 unit subdivision for market rate homes with single family lots ranging from 4,985 square feet to 6,705 square feet in size.

**The Villages at Santa Ana Creek:** Allocations for 85 single family detached units in the R1-L/PZ zoning district with a Flood Plain overlay on a portion of the property. The performance overlay zone will allow the clustering of smaller lots to avoid development in the flood plain with lot sizes ranging from 3,200 square

feet, 4,000 square feet and 5,500 square feet. The project integrates the creek into 2.3 acres of open space with a creek trail and park while retaining an overall average density of just over four units per acre. The density for this project is just over 4 units per acre gross; however, net density is likely to be approximately 6 units per acre.

**Rajkovich:** Allocations for 175 residential lots in the R1-L/PZ zoning district (1-8 units per acre). Single family lot sizes will range from 4,500 square feet to 9,300 square feet. Allocations were also awarded for 100 high density apartment units pursuant to Measure U for three story apartments that will be constructed as affordable housing. The density for this project is approximately 8 units per acre.

**Sywak:** received eight allocations in the small project category for an 8-lot subdivision in the R1-L/PZ zoning district with lot sizes ranging from 7,090 square feet to 11,982 square feet. The property is approximately 1.95 acres and the density would be about four units per acre.

**TABLE 50**  
**2008-2010 ALLOCATIONS - SUMMARY OF DEVELOPMENT DENSITIES AND HOUSING TYPES**

Applicant/ Project Name	Zoning District	Location (APNs)	Acres	Realistic Capacity Based on Appendix E build-out	Actual Allocation	Affordable	Single family lot	Small Lot	Row House/Condo	Apartment	Mixed Use (Upper floor)
1-8 du/acre Low Density Residential				4.5 du/acre							
Rajkovich/	R1-L/PZ	Cienega - Future Southside Road (20-18-08 and 09)	22	100 (1)	175 units	100	75	0	0	0	0
Brigantino/ The Villages	R1-L/PZ Flood Plain Overlay	Santa Ana (19-31-59 portion, and 19-31-61)	33 <sup>1</sup>	148	Requested 149 Allocated 85		76	73 <sup>2</sup>	0	0	0
Sywak	R1-L/PZ	South/Westside (58-06-10)	1.95	8	Allocated: 8		8	0	0	0	0
8-12 du/acre				8 du/acre							
Cerrato Estates	R3-M/PZ	Hillcrest/Meridian (54-35-31)	45.5	364	Requested: 389 Allocated: 95 9 du/acre average		89	113	102	85	0
KT/ Orchard Park	R3-M/PZ	Buena Vista (52-32-02)	9	90	91	0	0	91	0	0	0
Walnut Park	R3-M/PZ	Union/Cerra Vista			Phased - 22		22				

<sup>1</sup> About one acre is not proposed for allocation at this time.

<sup>2</sup> Small single family lots: 18-3,200 square foot lots and 55-4,000 square foot lots.

13		(57-37-16)																	
12-35 du/acre																			
Ladd Lane	R4-H/PZ Fault Hazard	Ladd Lane	4.5	12 du/acre	54	Requested: 91 Allocated: 54													
20-35 du/acre																			
Thorning/	West Gateway	San Juan Road (52-08-01 and 52-9-52)	3.25	20 du/acre	33	Requested: 74 Allocated: 74 Future Phase: 124													60
20-35 du/acre			4.68	48															
Valles	Neigh borhood Mixed Use	Cushman/Tres Pinos (57-23-19)	3.84	25 du/acre	48	Requested: 74 Allocated: 74												50	24

Notes" (1) R1-L/PZ zoning district allows densities from 1 to 8 units per acre with a targeted density of six units per acre. The 'realistic capacity' in Appendix E-E is based on a historical average density of at least 4.5 dwelling units per acre in the City of Hollister.

<sup>3</sup> This is part of a phased development. The applicant has 20 allocations for single family homes from a prior growth management allocation. The Phase 2 allocation shown in this table would be for 22 small lots. Phase 3 is for a small commercial center across the street from an elementary school. The closest commercial facilities are about one mile from this residential area. The commercial center will implement general plan goals to promote pedestrian friendly neighborhoods by providing small-scale retail in an underserved area. Phase 4 is for an apartment complex. The applicant has agreed to a deed restriction/pending performance agreement that requires Phase 4 to be developed with at least 61 to 113 multi-family units to assure that the average density of the 12.95 acre site is 8 to 12 units per acre in the R-3M/PZ zoning district.

### **2.2.d Available sites from lands zoned for residential and mixed use in the City limits. Development Projects**

The City is able to demonstrate site suitability, according to HCD guidelines (further discussion below), and has a goal and a vision for a mixture of income levels across zoning districts in the City. City policies have been adopted to support this vision. Based on the needs in the City, and staff's knowledge of the types of projects the City will support, as well as interest from developers in affordable and other mixed use projects, the City has determined that all income categories, including the lower income categories, are needed in each of the identified zoning districts. Recent development interest also supports the development of units in both the lower income and higher income categories in the higher density districts. Units across income categories have been identified according to local development history and the vision for the City's future development pattern, including an adaptive reuse program in the downtown areas.

The residential land inventory primarily includes lands with potential for new construction from vacant parcels and a small number of re-use properties. Potential also exists for additional residential infill development in remaining residential zoning districts. Table 51 below lists the residential and mixed use districts based on the type of new construction that could occur in the future. Appendix F-F includes a list of lots in the Old Town zoning district with potential for infill development. All listed zoning districts are located within the existing Hollister City limits. Most of the potential units, for purposes of this housing element are considered in reserve, and should be considered a reserve, particularly the infill, with the exception of the Old Town Infill shown below.

**TABLE 51**  
**HOLLISTER SURPLUS SITES FOR FUTURE RESIDENTIAL DEVELOPMENT**

	<b>Vacant sites for new construction</b>	<b>Small scale infill potential</b>	<b>Re-use</b>
R1		•	
R2		•	
R3		•	
R4		•	
RWF	• <sup>4</sup>		
Old Town (M)		•	
Old Town (H)		•	
Home Office		•	
R-1 L/PZ	•		
R-3 M/PZ	•		
R-4 H/PZ	•		
Neighborhood Mixed Use	•	•	•
West Gateway Mixed Use	•		
Downtown Commercial Mixed Use		•	•

### **2.2.e. LAND SUITABILITY**

Appendix F-F, contains acreage totals across zoning districts, as well as detailed parcel information; the data includes real parcels with acreage, the General Plan designation, the Zoning (as per Ordinance 1038), densities allowed, calculated capacities, etc. The identified sites are available for immediate development from a zoning, public service and development standpoint.

The zoning map and sites are accordance with the General Plan standards. The City has satisfied the requirement for zoned sites. Technical Appendices to this Housing Element contain copies of the Zoning Ordinance development standards and other supporting material. Sites are consistent with the General Plan densities, and in compliance with the default densities prescribed by HCD.

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<sup>4</sup> The approved 667 West of Fairview Development Agreement is located in this zoning district so the acreage of this land is not included the Appendix E inventory as a vacant site.

The ability of either vacant or adaptive reuse sites in the Measure Y Exemption Area, including the Downtown Commercial Mixed Use (DMU) district, to accommodate the development of housing affordable to lower income households is supported by information obtained from local real estate agents, discussed in more detail below. Current projects being processed by the City that are affordable to lower income households within DMU district are as follows:

#### Mixed Use- HDR

All parcels zoned Mixed Use HDR included in the inventory are larger than 3.1 acres; lot consolidation is not necessary to facilitate development of these parcels. The sites are large enough to support projects serving the housing needs of the community, including the ability to serve lower income households, without the need for lot consolidation techniques or parcel assemblage.

The City of Hollister will allow commercial and residential development in the mixed use districts. There are about 67 acres of vacant land in the West Gateway and Neighborhood Mixed Use districts. The City has taken the following steps in order to provide further assurance that mixed use districts will yield residential development.

- The City Council placed on the November 2007 ballot a measure to exempt from residential growth management allocations development in the Downtown Commercial Mixed Use district.
- Growth management allocations specifically for the mixed use districts to stimulate construction of multi-family housing in the districts.
- Housing Element Program H.Y. requires annual monitoring of development in mixed use areas. If 50% of the inventory in a geographic area is developed at a rate with less than 1 dwelling units per 5,000 sq. ft. of commercial space, then the City of Hollister is required to rezone vacant land in the area to the R4 zoning district based on a standard to assure construction of a minimum of 1 dwelling units per 5,000 square feet of commercial space that has been developed since 2005.

#### Measure Y Exemption Area (Downtown Commercial Mixed Use (DMU-HDR) and Neighborhood Mixed Use:

The City is poised to re-introduce a residential component to the downtown commercial area with the new 2008 zoning ordinance, lifting of the sewer moratorium and the recently approved ballot initiative Measure Y that exempts all residential growth in the Downtown Commercial Mixed Use district and some Neighborhood Mixed Use lands south and east of downtown that were included in a recently prepared Downtown Strategic Plan. The Redevelopment Agency helped fund, in partnership with the Hollister Downtown Association, property owners and stakeholders the preparation of the 2008 Hollister Downtown Strategy and Plan. The City of Hollister and Redevelopment Agency have taken steps to implement measures in the strategic plan. The City of Hollister recently re-established enforcement of parking in the downtown area. The Redevelopment Agency contributed funds in 2009 for a study to explore the establishment of a downtown Property Business Improvement District. The 2008 zoning ordinance also includes provisions for a reduction in parking standards with payment of in-lieu fees and for affordable housing

and provisions to satisfy off-street parking requirements with a city-approved parking assessment district.

Two projects in the Measure Y exemption area include the a conversion of former second story hotel rooms to five studios and a pending application to construct two condos on a small 2,800 square foot infill lot. Staff has also met with property owners interested in replacing a single story commercial building with a mixed use building and infill development of a small apartment on a large lot.

Housing Element Programs H.F and H.MM require annual outreach with property owners in the Measure Y exemption area to educate property owners about opportunities for re-use and development. Programs H.F. and H.L. require amendments to the mixed use standards in the Measure Y exemption area to allow more flexibility to increase densities on smaller lots with upper floors of residential housing including waiving the minimum parcel size requirement, allowing zero-lot line development, reducing the off-street parking requirements and review of projects on a case by case basis.

City staff conducted a recent survey (August of 2009) of properties in the downtown Measure Y Exemption area and discovered rental units above existing ground floor retail. The units are affordable. The property owners stated that most renters are long term. The City, through measures identified in this Housing Element, is encouraging and facilitating affordable upper floor units of this same type. A list of units follows:

**TABLE 52**  
**ACTUAL MARKET RENTS, as of August 2009**

<b>Street Location</b>	<b>Studio</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>Notes</b>
Rental A	\$530	\$650	\$800		Utilities included
Rental B				\$750	Rent adjusted for noise of commercial use
Rental C	\$650	\$750			Utilities included

Source: City of Hollister Planning Department

According to the 2009 California Tax Credit Allocation Committee affordable rent listing, units in San Benito County at the following rent levels are considered affordable as follows.

**TABLE 53**  
**TCAC-AFFORDABLE RENTS**

<b>Income Range</b>	<b>Studio</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>
60%	\$844	\$904	\$1,086	\$1,254
50%	\$703	\$753	\$905	\$1,045

Source: TCAC rent sheet, August 2009

Projected unit capacities for sites in the Measure Y Exemption area are based on a combination of vacant ground floor infill parcels, on demolition and accompanying re-use of property, and on re-use of the upper level commercial buildings in the historic downtown core. A residential allocation is not required for residential development in this exemption area. The City's identified capacity of additional units is based on a combination of factors - 1) voluntary inventory of resources in the downtown completed by the City in the summer of 2008; 2) additional building with unsurveyed upper floors; 3) infill sites including vacant lots and underutilized parking lots and parking areas on private property. There are an estimated 160 sites that are available for immediate development. Appendix G-G includes a list of vacant and underutilized properties (176 sites) in the Measure Y exemption area, including vacant infill in the Downtown Mixed Use district, upper floor units in Downtown Mixed Use, and vacant infill opportunities in Neighborhood Mixed Use.

Implementation of the newly adopted Mixed Use standards in Hollister will act as a draw to incentivize the completion of projects in the DMU-HDR and NMU - HDR districts, carrying out the City's vision for the downtown core. Application of the appropriate historical building codes will further ease the development of properties that would otherwise face higher costs due to stricter code requirements.

Housing Element Programs H.F. and H. MM require annual outreach with property owners in the Measure Y exemption area to educate property owners about opportunities for re-use and development. Program H.E requires an amendment to the mixed use standards to increase densities by reducing the minimum lot size requirements on smaller lots and for buildings with potential for upper floors of residential housing in the Measure Y exemption area.

As future reserve (not included in this inventory, but shown in the table with an equivalent of "0" units) are some re-use sites primarily associated with a former tar paper facility and an existing cannery in the DMU-HDR and NMU sub-table. The timing for re-use of these properties is uncertain so the City did not include these sites as new construction sites. The City also proposed to use a calculated realistic capacity based on the minimum allowable density in the mixed use district. Going forward, the City will continue to monitor new construction to assure that acreage will be utilized for residential.

#### Old Town Infill:

The Old Town zoning district comprises much of the original housing stock in the City of Hollister. The City developed slowly over time with the piecemeal development of individual lots. Remaining in the Old Town zoning district are some large lots with the potential for infill development. A number of vacant lots are also present. Development would need to be oriented on the property and designed to retain the historic character of this area of the City. The zoning ordinance includes design and architectural standards for the Old Town zoning district insuring proper design and orientation. Issuance of a building permit for a single family residence is ministerial, not subject to any discretionary action. Architectural review for Old Town standards would be incorporated into any Site and Architectural Review for a multi-family units in the Old Town district.

#### High Density Residential- R4-H/PZ

Future development of parcels zoned R4-H/PZ have been calculated based on the lowest allowable density for a total of 417 units, with one exception, a site on North Street. As a general rule, the City of Hollister has a generally flat topography; however, the North Street site is located on a small hill known as Park Hill. The combination of possible fault hazard non-buildable areas and site slopes act as a constraint to development at this location. Therefore, the City has reduced the realistic capacity at this location by approximately 45% percent (the calculation based on 12 UPA, the minimum density, would otherwise be 270 units). The reduction makes allowance for the necessary infrastructure and site standards (increased non-buildable areas) due to the slope, and fault hazard building exclusion leading to reduced densities.

The City's new Zoning Ordinance, along with the Density Bonus program will serve to incentivize development of the R4-H/PZ parcels. Several parcels in the High Density (R4-H/PZ) district are 1 acre or smaller; therefore, the City encourages lot consolidation to permit such development to advance. The City's support of the consolidation of small lots into larger parcels is evidenced by a recent demolish and rebuild project, the Westside Apartments. By consolidating several smaller lots into one, the project utilized a density transfer, gaining 11 additional units. A direct result of one of the City's goals, the new Zoning Ordinance supports interconnections between properties, resulting in increased projects involving combined lots. Flexible zoning standards such as stepped back second floors, reduced setbacks, and parking placed behind the building also provide additional opportunities to develop such projects. All parcels in the R4-H/PZ district are eligible to participate in the City's Density Bonus Program. The City's Growth Management allocation program awards points for projects that provide a density mix with housing for lower income groups, including extremely low income households, acting to provide incentive for and encourage higher density projects, including projects involving lot consolidation.

### Lot Consolidation efforts

A supplement to the sites inventory (-HH) has been included to more accurately portray the status of parcels within the downtown Measure Y exemption area and multi-family zoning districts with a strong potential as candidates for lot consolidation.

Most of the downtown sites are vacant and contain no structures. In the Measure Y exemption area, former derelict structures have been cleared, and in one instance, a building burned down. In other instances, open lots are paved that were used for parking lots for former automobile dealerships. In order to increase the viability of these lots for more intensive development, the City will be allowing reduced parking (see Program H.H) up to and including exemptions from otherwise applicable parking requirements. Several of these lots present opportunities for lot consolidation as a means to make development even more attractive to potential developers. Lots that are prime candidates for consolidation, due to a property line adjacency have been highlighted. With the removal of parking requirements and incentives to draw project developers to the downtown, the City is able to demonstrate the suitability of these underutilized sites for the development of housing for lower income households.

Appendix H-H lists seven other areas in the West Gateway and other multi-family zoning districts that are prime candidates for lot consolidation efforts. For example, five lots between Jan Avenue and Fourth Street could be assembled into about 3.5 acres. Parcels included in the High Density Residential inventory that are ripe for lot consolidation are located along Line Street, Valleyview/Sunnyslope, West Second, Locust Avenue and Central Avenue. A number of these parcels are less than one-half acre and are well suited to affordable projects, subject to joining two or more parcels to create one larger more attractive piece of property. The City has included programs as part of this housing element to give priority to projects that consolidate smaller lots into more developable parcels, (see Programs H.F H.Q and Appendix H-H).

In accordance with Government Code Section 65583.2 (c)(3)(B), the City is able to demonstrate the suitability of the higher density zones for the development of affordable housing. In other words, the higher density zones are suitable to provide housing for lower income households, thereby meeting the “appropriate zoning” test as outlined in the HUD guidelines. The “default density” for Hollister, i.e. San Benito County, is 20 units per acre. The R4, High Density Residential District allows for densities from 12 to 35 units per acre; the Mixed Use West Gateway, (WG) (R4-H/PZ) allows densities from 20 to 35 units per acre, and the Mixed Use (MU-HDR) district and the DMU, Downtown Mixed Use District allow for densities of 25-35 units per acre. The new R4-20 zoning district that will be implemented for Program H.N will allow for densities of 20 to 35 units per acre.

The High Density Residential Zoning Districts have the lowest cost of construction per unit and would therefore offer some built in market incentives for very low and low-income construction, although the City’s development strategy includes moderate and above moderate income units in the high density residential districts as well. In anticipation of their development strategy in the mixed use districts, the City has made further reductions in the calculated capacity of the mixed use zones (equating to 50% of the total acreage). Calculations based strictly on the minimum allowable densities in

the mixed use zones would allow for a *greater* number of units; however, the City is mandating a reduction to allow for commercial development in addition to residential development.

Realistic density calculations for the Low Density (single family 1-6 UPA) and Medium Density (8-16 UPA), zoned land also rely on the lowest allowable density, as per the zoning. However, for Low Density, an adjustment has been made based on the historical development densities of single family projects recently completed in Hollister. Therefore, the realistic capacity has been calculated based on 4.5 units per acre for the LDR parcels, rather than the lowest allowable density of 1 unit per acre, as per the zoning. The City fully expects these development trends to continue on future projects, and to be a realistic predictor of land development patterns as the City continues to grow.

In order to provide further assurance that mixed use districts will yield residential development, the City requires annual monitoring of development in mixed use areas. Additionally, the City will initiate a rezoning to high density residential if commercial development constrains residential growth.

For the 2007-2014 RHNA period, the City is not relying on non-vacant (mixed use reuse) sites, nor is the City relying on areas in the Sphere of Influence. Therefore, no schedule of annexations or other programs specific to annexation have been included with this submittal to meet new construction needs for the 2009-2014 program period.

Annexations in Hollister were stalled between about 1995 and 2001 because there was not a property tax exchange agreement between the City of Hollister and San Benito County. Most residential annexations were stalled again between 2002 and December of 2008 due to the sewer moratorium. Program H.W. prioritizes annexation of 75 acres of unincorporated islands in order to assure a sufficient inventory of sites for the next Housing Element revision.

In conclusion, all parcels in the sites inventory are located within the City limits of Hollister, with utility service and other city services readily available, subject to the extension of service laterals only. The majority of sites in the inventory are vacant and free of encumbrances that would limit the properties' ability to be developed; remaining non-vacant parcels are noted as such. All non-vacant parcels and underutilized properties are noted in the inventory, with prime reuse sites being highlighted, and the appropriate consistent methodology applied, either for vacant sites, upper floor units in the Downtown Commercial (City survey), or non-vacant underutilized parcels in the Measure Y exemption area, including Mixed Use (HDR), to provide a sufficient number of units to satisfy the RHNA. The newly adopted Zoning Ordinance identifies flexible development standards to facilitate development of infill (non-vacant) parcels. The Growth Management rating scale and implementing Housing Element programs provide incentives and act as a catalyst to encourage the adaptive reuse of such non-vacant infill parcels.

TABLE 54  
RHNA SITES; UNITS SUMMARY

	Remaining Need	LDR <sup>5</sup>	MDR	HDR	Old Town Infill <sup>6</sup>	Vacant Mixed Use (HDR)	West Gateway	Measure Y Exemption Area	Total Capacity	Remaining Need
AM	661	261	328	25	14	50	50	10	738	0
Mod	242	154	104	25	15	50	120	40	508	0
Low	405	30	120	100	15	50	180	40	530	0
VLI	278	30	0	115	6	50	150	35	371	0
ELI	280	30	0	152	4	15	60	35	310	0
	1,866	<b>505</b>	<b>552</b>	<b>417</b>	<b>54</b>	<b>215</b>	<b>560</b>	<b>160</b>	<b>2,457</b>	<b>0</b>

<sup>5</sup> Allocation for the 100 unit affordable units in the R1-L/PZ overlay zone for the Rajkovich development will generate 100 affordable sites in the LDR general plan land use designation.

<sup>6</sup> Miscellaneous infill in the R1, R2, R3, R4, Home Office and Old Town zoning districts.

## SECTION 2.3

### **CONSTRAINTS, EFFORTS, AND OPPORTUNITIES**

The purpose of this chapter is to analyze potential and actual governmental and non-governmental constraints on the maintenance, improvement and development of housing in the City of Hollister. A discussion of Hollister's efforts to remove constraints and to promote energy conservation is included.

#### **2.3.a. GOVERNMENTAL CONSTRAINTS**

##### **2.3.a (1) Federal, State, and Local Policy**

Actions or policies of governmental agencies, whether involved directly or indirectly in the housing market, can impact the ability of the development community to provide adequate housing to meet consumer demands. For example, the impact of federal monetary policies and the budgeting and funding policies of a variety of departments can either stimulate or depress various aspects of the housing industry. Local or state government compliance or the enactment of sanctions (sewer connection or growth moratoriums) for noncompliance with the federal Clean Air and Water Pollution Control Acts can impact all types of development.

State agencies and local government compliance with statutes can complicate the development of housing. Statutes such as the California Environmental Quality Act (CEQA) and sections of the Government Code relating to rezoning and General Plan Amendment procedures can also act to prolong the review and approval of development proposals by local governments. In many instances, compliance with these mandates establishes time constraints that cannot be altered by local governments.

Local governments exercise a number of regulatory and approval powers which directly impact residential development within their respective jurisdictional boundaries. These powers establish the location, intensity, and type of units that may or may not be developed. The City of Hollister's General Plan, zoning regulations, project review and approval procedures, development and processing fees, utility infrastructure, public service capabilities, and development attitudes all play important roles in determining the cost and availability of housing opportunities in Hollister.

##### **2.3.a (2) Land Use Regulations**

The General Plan is the primary land use policy document. This policy document not only establishes the location and amount of land that will be allocated to residential development, but also establishes the intensity of development (in terms of unit densities and total number of units) that will be permitted. While nearly all components or elements of the General Plan contain goals and policies that influence residential development, it is the Land Use Element that has the most direct influence.

The City regulates the use of land within the city limits through the Hollister General Plan, Municipal Code, and the Uniform Building Code. The Zoning Ordinance establishes development standards, intensity of development, minimum site requirements consistent with the 2005-2023 Hollister General Plan. These regulations are considered necessary to protect and preserve the existing housing stock and to ensure the orderly development of available land.

The 2005-2023 General Plan envisions a more compact development pattern than the prior 1999-2005 General Plan; a smaller planning area, increased residential densities, and the addition of new mixed use land use designations to areas that were previously commercial or industrial land use designations. Various residential zones have been established along with a minimum set of requirements for densities, setbacks, lot coverage, and parking. In addressing the requirements of Government Code Section 65583(a), the City has developed standards that do not impede the City's ability to meet maximum allowable densities. For example, in the higher density residential zones and the mixed use zones, the standards provide for allowable heights up to 45 feet and 50 feet, respectively, permitting up to four (4) stories. The City also has mechanisms in place to allow flexible setbacks and reduced parking requirements for projects meeting affordability levels.

The following summary is provided to highlight certain aspects of the Zoning Code, but is not meant to be an all-inclusive description of the zoning districts.

A summary of the City's residential districts and mixed use districts, including housing and permit requirements is detailed in Table 2.1-48, on page 3.120 of Section 2.2.a of the Housing Element. A narrative summary of the Residential zoning districts is also provided in Section 2.2.a. Housing is permitted by right for construction of single family homes on existing lots of record in the Residential Estate and R1 Low Density Residential zoning districts. In mixed use commercial districts and residential zoning districts, new construction of mixed use or multi-family development is subject to Site and Architectural Review. Further discussion of General Plan designations and Zoning districts, including off-street parking and other development standards, is provided in Section 2.2a.

Residential zones: According to the Zoning Code most new residential development in a residential zoning district will be located in a Performance Overlay Zone, which applies to all vacant residential lands in Hollister. The intent of the overlay district is to use flexible standards to foster development that meets the range of densities for the applicable General Plan land use designation to implement policies and programs in the General Plan. Programs and policies call for a variety of lot sizes and housing types in all districts, pedestrian connections between properties, solar access, clustered development to meet the average General Plan density for the property while avoiding development in areas with environmental constraints (e.g. flood, seismic, liquefaction, and habitat): or providing on-site amenities (trail easements, recreation), and to protect the character and scale of existing residential neighborhoods.

Lot sizes may be varied in the Performance Overlay zone with a performance agreement to a minimum of 2,500 square feet where the base General Plan designation is Low Density Residential or Medium Density Residential. A more detailed description of this district is provided in section 2.2k, pages 3.117 to 3.119. In the High Density General Plan designation, the lot size may be reduced to less than 2,500 square feet and the building height may be increased to 75 feet. A variety of housing types, setbacks and densities are allowed within a development with a performance agreement provided that the development density is consistent with the applicable General Plan land use designation for the property. Lot size is required to be similar to existing residential development unless the lot is within a zoning district and General Plan designation with a different density or transitional setbacks and landscaping are incorporated into the project design to assure that the new development is of a scale and character that is compatible with the existing residential neighborhood.

An average development density of one to eight units per net acre is now required in the R1 L/PZ overlay zone with a targeted density of at least six units per net acre. An average development density of eight to 12 units per acre is required in the R3 M/PZ overlay zone and an average of 12 to 35 units per acre is required in the R4 H/PZ overlay zone. The overlay zoning will provide an incentive for property owners to include a variety of housing types with new residential development.

Infill: The City is planning for infill residential development in established residential districts, especially in the Old Town zoning districts. Chapter 4, of the Zoning Ordinance establishes minimum lot sizes ranging from one housing unit per 5 net acres in the Residential Estates district to 40 units per acre in the Downtown Mixed Use districts. The R1 low density district requires 5,500 square feet and 6,500 square feet for corner units, the R2 medium density residential district requires 8,000 square feet per unit, the R3 medium density multi-family district and Old Town medium density residential district require a minimum of 5,000 square feet per unit, 8,000 square feet for two units, and 11,000 square feet for three units and 3,600 square feet for each additional unit. The R4 medium density high density district requires a minimum of 5,000 square feet for a one unit, 8,000 square feet for two units, and 9,000 square feet for three units 1,200 square feet for each additional unit.

Mixed Use: In addition, to the residential districts, housing is allowed in the new mixed use Neighborhood Mixed Use (25- 35 du/ac), West Gateway (20-35 du/ac) and Downtown Commercial Mixed Use (25 – 40 du/ac) zoning districts.

The recently adopted zoning ordinance provides additional areas for housing development and for the expansion in the supply of affordable housing units. In addition, amendments to the Zoning Map have been made to provide additional land for medium and high-density multi-family housing, and high density residential land uses in areas formerly zoned solely for commercial or industrial use in the new mixed-use districts.

### **2.3.a (3) Local Entitlement Fees and Exactions**

#### **Development Fees**

Local fees are necessary to process development applications; however, particularly after Proposition 13, cities must be concerned with the need to recover processing costs. Line item fees related to processing, inspection and installation services are limited by California law to the cost of the agencies performing these services. Table 2.3-52 shows typical planning and entitlement fees in Hollister, with a focus on residential fees.

In addition to planning fees, Hollister has established a number of development impact fees in order to pay for the increased demand for City facilities such as waste water treatment, water, park development, storm drains, sewer lines, police and fire protection, and transportation improvements. Hollister has seen a growing need for infrastructure improvements, and costs to develop the City's infrastructure and expand City services have been substantial.

Like all local governments, Hollister also charges plan check fees for building, electrical, plumbing, and mechanical permits. Plan check fees based on project evaluation according to the Uniform Building Code are calculated at 65% of the prescribed building permit fee. An overall comparison of the total fees charged for a single-family and multi-family project is shown in Table 2.3-53. Per unit fees for a typical multi-family development are \$32,788 for a 1,000 square foot unit; fees for a 2,000 square foot single family home are \$51,196. Impact fees have increased to pay for necessary infrastructure, particularly the new wastewater treatment plant. Hollister's development fees are passed on to project proponents; the schedule is appropriate to recapture the costs of services provided and maintain the standards set by the community. In order to encourage the development of affordable housing, the City has approved lower traffic and sewer impact fees for multi-family development.

**TABLE 55  
PLANNING FEES**

<b>Fees</b>	<b>Cost</b>
<b>Administrative Permit Categories</b>	
Single Issue Determination Letter	\$360
Determination Letter	\$467
Home Occupation	\$85
Wall Sign	\$25
Temporary Use Permit	\$425
Administrative Permit Review	\$425
Flood Zone Determination	\$48
Variance	\$812
Zoning Use Determination	\$608
<b>Environmental Review</b>	
Consultant Prepared EIR and Supplement	Hourly Rate w/Deposit
City Prepared EIR & Supplement	19%
Consultant Prepared Expanded Environmental Assessment	Hourly Rate w/Deposit
City Prepared Expanded Environmental Assessment	19%
City Prepared Negative Declaration	Hourly Rate w/\$250 Deposit
<b>General Plan Amendment</b>	
GP Amendment	Hourly Rate w/\$4,000 Deposit
GP Text Amendment	Hourly Rate w/\$2,000 Deposit
<b>General Plan Update</b>	
Single Family Residential (244 units)	\$159/unit
Multiple Family Residential (30 units)	\$86/unit
Commercial/Industrial (50 Acres)	\$207/acre
<b>Prezoning/Rezoning</b>	
Prezoning/Rezoning, 5 acres or less	\$2,150
Prezoning/Rezoning, 5-10 acres	\$3,150
Prezoning/Rezoning, more than 10 acres	Hourly Rate w/\$3,000 Deposit and \$600 GP fee
Certificate of Compliance	Recording Fees

**Table 55**  
**Planning Fees**  
**(Continued)**

<b>Site and Architectural Review</b>	
Residential	\$870
Commercial	\$1,098
Industrial	\$1,098
Revision	50% of base fee
Res. Building Add.	\$646
Industrial Building Add.	\$646
Free Standing Sign Review	\$646
Project Approval Extension	50% of base fee
Administrative Sign Review	\$25
Conditional Use Permit-Regular CUP	\$1098
Conditional Use Permit-Approval Extension	50% of base fee
<b>Subdivision Applications</b>	
Minor Sub (4 lots or less)	Hourly Rate w/Deposit
Major Sub (5 lots or more)	Hourly Rate w/Deposit
Planned Development Permit (Condo)	Hourly Rate w/Deposit
Source: City of Hollister Development Services, Service Application Fees, September, 2004.	

**TABLE 56**  
**DEVELOPMENT FEES FOR SINGLE-FAMILY AND MULTI-FAMILY DWELLINGS**

<b>Fee Category</b>	<b>Single Family Unit*</b>	<b>Multifamily Unit**</b>
<b>Square Feet</b>	<b>2,000</b>	<b>1,000</b>
Tentative Map	\$97	\$80
Final Map	\$44	\$44
Site and Architectural Review	\$50	\$50
Building Permit	\$794	\$496
Plan Check	\$516	\$322
Plumbing, Electrical and Mechanical Permits	\$266	\$211
S.M.I.P.	\$14	\$7
General Plan Fee	\$574	\$269
Sub-Total	\$2,355	\$1,479
<b>Impact Fees:</b>		
Water	\$2,220	\$2,220
Traffic	\$23,853	\$11,927
Storm Drainage	\$2,620	\$2,620
East Area Storm Drainage <sup>1</sup>	\$1,360	\$0.2512/ sq ft. of net lot area
Sewer Treatment	\$14,258	\$10,133
Sewer Collection	\$2,240	\$2,240
Police	\$340	\$340
Fire	\$460	\$460
Park Development	\$1,123	\$751
Jail and Juvenile Hall	\$367	\$367
Sub-Total	\$48,841	\$31,309
<b>Grand Total</b>	<b>\$51,196</b>	<b>\$32,788</b>
*Based on a 25-unit subdivision on 4 acres. (General Plan, 2005-Fees Updated July, 2008)		
**Based on a 1 acre multifamily project with 25 units. (Development Impact Fee Schedule, Updated July, 2008)		

Hollister has updated traffic, sewer and water connection fees between 2004 and 2008. The City's planning fees are comparable to other jurisdictions in San Benito County, (See Table 2.3-54). Fees are set up so that applications/projects with administrative approval have a lower cost; projects with a higher dollar cost are identified as major projects, and are therefore, charged a higher fee. As a general rule, these fees do not act as a constraint against building affordable housing, as they are set so as to recapture the cost of processing. Table 2.3-54 shows the fees charged for typical entitlements in the City of Hollister and neighboring jurisdictions.

<sup>1</sup> This fee applies to portions of eastern Hollister in the Santa Ana Creek Drainage.

**TABLE 57**  
**PLANNING APPLICATION DEPOSITS-SURROUNDING JURISDICTIONS**

<b>Jurisdiction</b>	<b>Conditional Use Permit</b>	<b>General Plan Amendment</b>	<b>Tentative Parcel Map</b>	<b>Variance</b>
Hollister	\$1098	Hourly Rate w/Deposit	\$1,875 plus \$22/lot (5 lots or more)	\$812
San Juan Batista	\$2500 (New) \$1000 (Amendment)	\$2500	\$1500 (Plus City Engineer Rate)	\$1500
San Benito County	\$3,513	\$1,330 deposit (+ \$25/acre +\$100 per hr.)	\$1,875 plus \$22/lot (5 lots or more)	\$1275
Sources: City of Hollister (September, 2004) City of San Juan Batista (December, 2007) San Benito County (February 2009)				

Fees, land dedications, or improvements are also required in most instances to provide an adequate supply of public parkland and to provide necessary public works infrastructure (streets, sewers, and storm drains) to support the new development. Such costs are charged to the developer; however, costs are ultimately passed to the consumer in the form of higher home prices or rents.

The significance of the necessary public works infrastructure improvements in determining final costs varies greatly from project to project. The improvements are dependent on the amount of existing improvements and nature of the project. However, developers are required to install improvements necessary to serve their project in order to not overburden the City's systems, and continue to provide for future growth.

The San Benito Joint Unified School District serves the City of Hollister. The School District assesses a school impact fee on all new residential and commercial development. As of 2008, multi-family and single-family fees are \$2.63 per square-foot and Commercial/Industrial fees are 0.42 per square foot.

In some instances, developers must weigh the benefits of building smaller units at the maximum allowable density or fewer larger units at a density less than the maximum. Either solution can have different impacts on the housing market. Governmental laws and regulations have the potential to increase development costs in any city. Requirements which relate to site coverage, landscaping, parking, and open space within developments can indirectly increase costs by limiting the number of dwelling units which can occupy a given piece of land. In Hollister, the City Council has determined that required improvements are necessary to maintain a uniform high level of quality community-wide. If the City maintains certainty about their development requirements and they are applied uniformly, the requirements function more as an expected development standard, rather than existing as a constraint.

Building a higher number of small units can reduce costs and provide additional housing opportunities for smaller households but does not accommodate the needs of larger families. Larger units can be made available to families, but because of their size and lower density, the cost of these units is higher.

Other development and construction standards can also impact housing costs. Such standards may include the incorporation of additional design treatments (architectural details or trim, special building materials, landscaping, and textured paving) to improve the aesthetics of the development. Other standards included in the Uniform Building Code lists regulations regarding noise transmission and energy conservation. While some of these features (interior and exterior design treatments) are included by the developer to help sell the product in the competitive market, some features (e.g., energy conservation regulations) may actually reduce monthly living expenses by cutting heating and cooling costs in the long term.

### **2.3.a (4) Processing and Permit Procedures**

Like all jurisdictions, the City of Hollister has procedures and regulations for project review and approval, some of which are mandated by State law. Virtually all development projects require some type of formal local approval and environmental assessment, many of which require public review and noticing and public hearings. A project proposed in Hollister is typically involved in some combination of the following review processes: environmental review; site and architectural review; subdivision maps; rezonings; residential unit allocation; use permits; and building permits. Average processing times for various planning activities in the City of Hollister are shown in Table 55. A conditional use permit and site and architectural review application process takes on average, about 45 to 60 days if no environmental review is required. The City requires the plans to be prepared by a design professional. Tentative map review often requires environmental review, which extends the processing time by about 90 to 120 days. The City of Hollister encourages pre-application meetings to help streamline the application processing time and costs by clarifying General Plan and zoning issues and resolving particular site development issues early on in the application process.

All filing procedures are codified in Section 17.24.070 of the Zoning Ordinance; projects are required to follow application submittal procedures contained therein. For both a single family subdivisions and multi-family project, the required entitlements and review time in Table 55 apply. The primary difference is that multi-family projects require Site and Architectural review in addition to other requirements

The City's Residential Unit Allocation process prioritizes applications and grants development approval under the Growth Management Ordinance. The process is a separate review and action, which comes first, taking approximately 8 months for both single family and multi-family development. The remaining process is compliance with the California Environmental Quality Act (CEQA) and entitlements, including the tentative map process, and the Site and Architectural

review (for multi-family only). Usually, Planning Commission consideration of these actions takes place at one (1) meeting. The discretionary approvals would only be considered by the City Council if there is an appeal of a decision. The Site and Architectural review and tentative map process under a best-case scenario, takes approximately 60 days to 18 months depending on the requirement for environmental review. Finally, building permit issuance takes approximately two weeks.

The adopted General Plan prioritizes infill development within the City of Hollister and then the Sphere of Influence. There is sufficient land within the City limits that is planned for residential development to comply with the City of Hollister's new construction need requirements. The growth management rating system prioritizes approvals for projects located within the City of Hollister that are consistent the adopted general plan land use plan and zoning map.

A General Plan Amendment, rezone or prezone for annexation of property must be submitted by a property owner for review and approval by the Planning Commission and City Council. City Council authorization is required to initiate the amendment process and the legislative change requires City Council approval after a recommendation from the Planning Commission. When this occurs, it can add an additional 3-5 months to the process if annexation is not proposed. There may be an additional two to three months for approval of an annexation by the Local Agency Formation Commission (LAFCO). Program H.W. commits the City of Hollister to annexing at least 75 acres of land in the Sphere of Influence to assure that ample sites are available for the next Housing Element revisions.

Total processing time for residential subdivisions and multi-family projects, from beginning to end, takes approximates 12 months at best, plus an additional two weeks for building permits. When advance review of a General Plan Amendment is required, the processing time becomes 25 months. The City recognizes that undue delays in processing project applications increases development costs and should be avoided, and will continue to actively work with the development community

### **Development Review Committee**

All development applications are reviewed by the Development Review Committee (DRC). The DRC reviews the application within the first weeks of its submittal and helps determine whether the application is complete for processing. The DRC is an advisory level review body only, and has no discretionary ability; rather it is the equivalent of a staff level review. DRC members include staff from City departments and local agencies (e.g. water district, health department, transportation agency). Hollister's planning application form encourages pre-development meetings to analyze proposals and resolve issues prior to a formal application submittal. If the city receives a complete application, the project is scheduled to appear before the committee with a draft Planning Commission staff report and draft conditions of approval. The DRC meetings are scheduled to occur two weeks after receipt of the application packet and about 24 days before

the Planning Commission meeting. Staff routinely places preliminary applications at no cost on the Development Review Committee agenda to help resolve site specific issues prior to submittal of an application. This strategy helps assure submittal of a complete application and helps avoid re-submittals of applications and associated consulting costs.

Project applicants file a standard application form with the City and are also required to submit conceptual site plans, and other supplemental information, such as architectural drawings. The City strives to issue a written response to the project proponent of the decision and/or recommendations of the DRC within five (5) working days following the DRC committee meeting.

### **Site and Architectural Review**

The City requires Site and Architectural Review for new construction of multi-family residential and mixed use buildings. Site and Architectural Review is required to review traffic congestion and safety, multi-modal facilities, drainage, orientation of buildings in relation to surrounding land uses, design and landscaping. Development of mixed use projects require Site and Architectural review identically to other new construction; no Conditional Use Permit or other prerequisite is placed on mixed use projects. In summary, mixed use projects are treated the same as other new construction.

Section 17.24.190 of the Zoning Ordinance contains the City's procedures for Site and Architectural Review, and specifies materials, treatments, and overall architecture. Supplemental procedures are also contained in the City's uniform application form. Applicants are aware at time of project application what is required for Site and Architectural review. During the Development Review Committee hearing, discussed above, staff provides applicants with feedback on their proposal as well as any requests for additional information. Review then follows the same hearing process and is submitted to the Planning Commission. No City Council approval is required for Site and Architectural review.

Program H.OO has been included as part of this housing element to monitor the Site Plan and Architectural review process for possible adverse impacts on the development of affordable housing. If the processes are determined to be a constraint, the City will take adequate measures to modify the program or otherwise mitigate the constraints.

### **Environmental Review Procedures**

According to State environmental law (CEQA), discretionary actions (such as a General Plan Amendment, Zone Change, and Specific Plan), which may have an effect on the environment, require the preparation of an Environmental Impact Report (EIR) or a Negative Declaration, (Neg. Dec.) or Mitigated Negative Declaration (MND) prior to project approval. The need to prepare the necessary environmental review can substantially lengthen the development review process, often taking up to one year to obtain project approval. The local environmental

review procedures are contained in Section 17.24.100 of the Zoning Ordinance, and are reflective of statewide standards. For projects requiring a CEQA document, the review is part of the multi-part application package.

The construction of individual single-family dwellings is Categorically Exempt from CEQA requirements (CEQA Guidelines Section 15303) and most multi-family residential projects can be approved with the issuance of a Negative Declaration. Conditional Use Permits and Second Dwelling Units may also be exempt from CEQA, depending on whether the individual project can be considered infill development.

The amount of time required to process CEQA environmental review documents in Hollister is comparable with other jurisdictions across the state, and is not considered a significant constraint to the development of housing. The City will continue to take constructive steps to help facilitate new development and improve the efficiency of the review process, including the periodic review and monitoring of review processes to identify potential constraints.

**TABLE 58**  
**DEVELOPMENT REVIEW AND PROCESSING PROCEDURES/TIMEFRAME**

Action/Request	Processing Time	Comments
Environmental Review	0 to 12 Months	Adds no time if project receives a negative declaration; adds 12 months if an EIR is required.
CEQA Exemption	60 Days or Less	
Negative Declaration/Mitigated Negative Declaration	90 to 120 Days	
EIR	12 Months	Requires public hearing and approval by the Planning Commission.
General Plan Amendment	0 to 24 Months	18 months if project receives a Negative Declaration; up to 2 years if an EIR is required.
Rezoning	0 to 12 Months	8-10 months for a Negative Declaration; 12 months for projects requiring an EIR.
Tentative Map and if applicable performance agreement	50 days	50 days if complete application.
Final or Parcel Map	0 to 24 Months	Up to 2 years.
Residential Unit Allocation	8 Months	8 Months
Site and Architectural Review	No more than 90 days.	Process usually takes 60 days or less. Multi-Family projects only.
Variances	60 Days	60 Days
Building Permit Review	2 Weeks	2 Weeks
Source: City of Hollister 2005 General Plan, and Planning Department.		

The amount of time required to process permits in Hollister is not considered a significant constraint to the development of housing. The City has taken constructive steps to help facilitate new development and improve the efficiency of the review process, and will continue to do so.

### **2.3.a (5) Growth Management**

The City of Hollister first adopted Growth Management Ordinance 550 in 1982 because of a concern that the rate of growth and development was outpacing the City's ability to provide services, particularly water and wastewater, police, fire, parks, schools, and storm drainage. In the intervening years, Ordinance 550 was amended and a variety of growth management programs have been used to regulate the creation of lots for residential subdivisions or for construction of multi-family residential development in Hollister.

The Hollister General Plan became integral to the implementation of the growth management system. In addition to the community's concern about utility services, citizens also desired to create a higher quality of development and to

ensure the provision of units across all income categories. According to a study completed in 2004 by the Center for Local, State, and Urban Policy, out of the University of Michigan, entitled, “Growth Management Policy in California Communities”, the City of Hollister generally “fits the profile” of California cities with growth management systems. While much of the focus of the study was on cities with growth boundaries, or urban limit lines, a feature the City of Hollister does not share, lessons can be drawn from this study and applied to Hollister. In many of the cities cited in the study, urban limit lines were part of a larger growth management strategy. The growth management strategy employed in Hollister still yields the same result with respect to growth management in general.

One of the findings contained in the study is that growth management, in a high number of cases, results in increased densities within the community. Logic follows that if growth outward is limited, either by an urban limit line, or by awarding projects higher points for proximity to the City center and multi-family/mixed use housing, the approach taken by Hollister, more compact development and increased densities are encouraged and promoted. The study concluded that communities with growth management tend to grow slower than communities without, and that they grow increasingly more dense over time.

Chapter 2, Section 1.a of this Housing Element documents that even with growth management, the City of Hollister was one of the fastest growing communities in the area between 1990 and 2008. The growth management program has not inhibited the construction of affordable housing projects in the City of Hollister. Rather, between 1984 and 1999, 950 affordable housing units were approved and constructed in Hollister (56 small lot manufactured homes, 327 very low-income, units, and 542 low-income affordable units). Units developed included a combination of apartments, approximately 230 self-help housing units, single family homes, and first-time homebuyer affordable units

According to the University of Michigan report, other cities’ experience with growth management in many ways reflects the City of Hollister’s experience; that rather than creating an artificial limitation on the development of affordable units, there is a higher propensity for lower income projects to be approved. The City has developed growth management scoring and ranking criteria that reserves allocations for affordable housing as well as categories to foster multi-family housing (mixed zoning district where the minimum density of 20 to 25 units per acre meets the default density for affordable housing and the multi-family zoning districts). The scoring awards projects higher points for providing higher affordability levels (density mix); the system also awards higher point scores for the provision of amenities that work to carry out principles of walkability and sustainability, including green building principles, efficient transportation infrastructure, and the provision of green space.

Now that the City has emerged from the wastewater treatment capacity related moratorium on growth, the growth management program can continue to function as it has in the past, allowing for and encouraging a wide range of residential development across all income categories.

In addition, the City is committing additional resources to removing barriers to affordable projects, and actively encouraging such developments in many parts of the City. Included as part of this Housing Element are incentives to further facilitate the development of affordable units, most notably within the Measure Y Exemption area. Financial incentives have been included that will reward projects for boosting density and for developing projects where one or more smaller lots are consolidated to create a larger lot. The programs will work to encourage affordable projects in the Measure Y. Program H. F also prioritizes future growth management allocations or exemptions in the multi-family, mixed use and Old Town districts.

As indicated above, the City's successful experiences functioning under a growth management program since 1982, serve to demonstrate that there are minimal adverse impacts associated with the additional processing time associated with the growth management program. In addition, the first allocations since emerging from the moratorium (multiple year allocation) should not unduly hamper development. As of the drafting of this revised document in August, 2009, the allocations have been processed by the City. -I-I is included indicating where those allocations have taken place in the context of the 'realistic capacity' for the inventory of potential housing sites identified by the City in Appendix F-F. The City has a pent up demand for construction and all parties are operating equally under the new system. However, the City will remain mindful of the potential for the rating and ranking system to place an extra burden on the development community, particularly affordable multi-family developers. The City will remain flexible within the parameters of the Growth Management Ordinance to amend the process to relieve any potential constraints. Program H.PP commits the City to remaining vigilant about identifying and mitigating any adverse constraints the program may have on the development of housing affordable to lower income families.

### Measure U Growth Initiative

In 2002, the voters of the City of Hollister approved a Growth Management initiative. The Declaration of Intent at Section 16.64.010 provides the following stated intents of the initiative:

- To encourage a rate of residential growth within the City which will not exceed the City's ability to provide adequate and efficient public services, including sewer, water, police, fire, streets, parks, general administration, and maintenance of public facilities, or the ability of the local economy, including the City's financial capacity, to support such growth, maintain and improve the quality of the environment considering the City's natural setting, including water courses, viable agricultural/open lands, recreational, historic and scenic areas;
- To encourage and promote a balanced community with adequate housing to meet the needs of local employment and residents;
- To encourage the construction of an appropriate share of the regional need for housing;
- To encourage and promote housing programs and activities to enable the City to meet the needs of all economic segments of the community, including the provision of adequate levels of rental housing; and
- Provide and maintain a sound economic base for the City.

Under the Measure U Ordinance, the City is able to award allocations of 254 units/building permits per year, of which 40 units are reserved for low and very low income housing. Measure U will expire in January, 2012. It should be noted that Section 16.64.30 specifically identifies residential projects that are exempted from the Growth Management Program. These exemptions include the following.

1. Replacement residential units or the relocation of an existing dwelling unit to a legal lot of record;
2. Single family residential units to be constructed on single legal lots of record in existence prior to July 1, 2000; and
3. Secondary residential units, i.e. second units, subject to the provision of Section 17.44.180 of the code.

In addition, Section 16.64.025 provides the following definitions of types of residential projects that are covered by the Growth Management Ordinance:

1. Affordable Housing: housing units affordable to families with incomes at or below one hundred twenty (120) percent of the county median income, including very low, low, medium and moderate income units;
2. Below market rate housing: housing units with prices or rental levels established at less than market rate, and affordable to families with incomes below one-hundred twenty (120) percent of the county median income;

3. Market rate housing: housing units selling or renting for prices or levels set by the housing market;
4. Senior Housing: housing that is available only to seniors, in accordance with state and federal housing laws and guidelines; and
5. Small residential project: a residential project consisting of no more than eight single family residential units or lots, or a subdivision of land into no more than eight lots.

**Measure Y Exemptions:** The City Council placed Measure Y on the November 2008 ballot to amend Measure U to exempt from the growth management program residential development projects in the 148.5 acre downtown area of Hollister (See Figure 1). The voters passed Measure Y. The approved residential exemption area encompasses all of the Downtown Commercial Mixed Use zoning district and lands in the Neighborhood Mixed Use zoning district located east and south of downtown. An estimated 160 units in these two (2) districts will be generated by 2014.

**Measure U Allocations during the program period:** The Hollister City Council approved a rating scale in December 2008 for a three-year allocation based on the Measure U growth rates. However, based on an existing ordinance and a performance agreement, the first year allocation is reduced by 23 units. The purpose of the three-year allocation is to streamline the permit review process, approve an ample supply of allocations to provide certainty for applicants, approve a variety of housing densities and types and ensure enough allocations for viable projects. The City Council allocated 700 building units for calendar years 2008, 2009, and 2010 in July of 2009. An additional 20 affordable units remain available for allocation immediately. Staff is meeting with affordable housing providers for possible sites. The City Council determined that the priority for allocations for 2008, 2009 and 2010 should be distributed by General Plan designations, with the exception of small projects of no more than eight (8) total units. The priorities have been established as follows:

**TABLE 59**  
**MEASURE U ALLOCATIONS**

<b>Land Use Priority</b>	<b>Allocations</b>	<b>Percent</b>
Affordable	120*	17%
Mixed Use Commercial	100	14%
West Gateway	50	7%
High and medium Density Residential	260	37%
Low Density Residential	160	22%
Small Projects	30	3%
<b>Total</b>	<b>720</b>	<b>100%</b>

\*Affordable units are defined as those restricted to Low and Very Low income, for sale or rental, and can be provided in any of the General Plan Designations.

**Growth Management Scoring and Rating:** For the 2008, 2009 and 2010 allocation period, the rating criteria has been developed to prioritize infill development where services are available and (5) categories: a) Conformance with Land Use Goals, General Plan compliance and the provision of Critical Infrastructure; b) satisfying the need for balanced Transportation/Circulation; c) the utilization of Green Building Concepts; d) providing for a Housing Density Mix; and e) an ample use of high quality Design Elements (please see Rating Criteria in Appendix T-F.. The guiding principle for each of the five categories is to provide amenities/elements above and beyond the minimum necessary to satisfy the established requirement. This process will facilitate scoring and ranking of proposed projects. A copy of the full text of the Growth Management Project Rating Scale is included as Technical Appendix T-F to this Housing Element. The City of Hollister Planning Commission will made recommendation to the City Council for building unit allocations based on the ranking.

As noted above, the City has allocated 3 years' worth of growth allocations in a single year. Table 2.2-50 has been included in Section 2.2b on page 3-129 and 130, (along with a narrative discussion) as part of the City's Sites Inventory analysis. The table shows projects that received growth allocations for the years 2008-2010, and the accompanying project densities. One-hundred of the 678 allocations were allocated to an affordable project (Rajkovich), located in an R1 overlay zone. Still other allocations were for multi-family and mixed-use projects in the Neighborhood Mixed Use, West Gateway Mixed Use, R4-H/Performance Overlay Zone and R3-M/Performance Overlay Zone districts. The two mixed use projects (148 units) had densities of 20 units per acre or higher. An additional 20 units have been reserved for an affordable project and allocations can be awarded immediately.

Applicants that are awarded allocations will be required to enter into a performance agreement. The agreement will require the applicant to pursue development in a timely manner or the allocations will be re-issued to another party.

The City of Hollister will re-assess and amend as needed the approved 2008-2010 growth management scoring and rating program prior to accepting applications for 288 allocations for the 2011-2012 period. Program H.Q. contains language requiring that at least 60% of the allocations (293) to be awarded to development with densities of at least 20 units per acre of which 80 will be reserved for affordable housing and 50 units will be reserved for a lot consolidation project.

**Allowable Units under Measure U during the Housing Element Period:** As illustrated in Table 2.3-57, the City will realize sufficient Growth Management Allocations and accompanying building permits to be able to construct the required number of units according to the RHNA. While the City is restricted to a maximum of 240 allocations/permits through the year 2012; thereafter the General Plan provides that, post sunset of Measure U, a sufficient number of units (254 annually), plus exempt units in the downtown infill area, and those from

second unit construction, will yield a total of 3,102 sites available during the 2009-2014 Housing Element period.

**TABLE 60**  
**GROWTH ALLOCATIONS/BUILDING PERMITS AVAILABLE DURING 2009-2014**  
**HOUSING ELEMENT PERIOD**

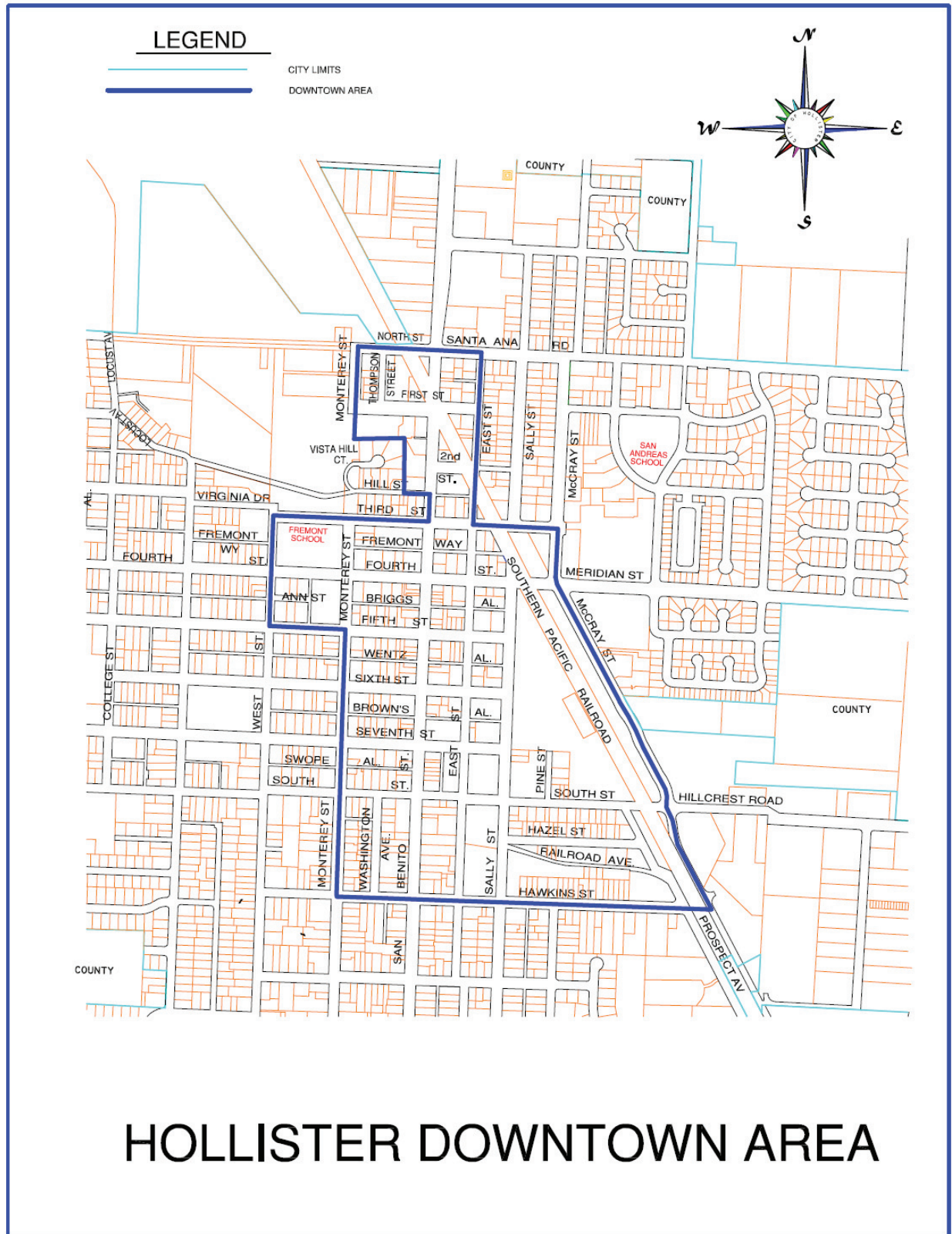
<b>Allocation/Permit Source</b>	<b>Allocations</b>
Existing Allocations/Permits (from past years)	1,184
2008-2010 Measure U Allocations (120 affordable min.)	720
2011-2012 Measure U Allocations (80 affordable min.)	480
Measure Y Exemption (Downtown Infill)	160
Second Units (exempt)	50
2013-2014 Post Measure U Allocations (254 /year per GP)	508 (1)
Total	3,102
RHNA requirement	3,050
Surplus Allocations/permits 2009-2014	74

**Note:**

- (1) Program H.T requires a study to determine whether or not growth management is warranted after the expiration of Measure U and to assure adequate allocations are available to meet the City's remaining housing need by all income levels. Any growth management program for the remainder of the program period shall include allocations for at least 254 dwelling units per year. If residential development is less than expected in the Measure Y exemption area, additional allocations at densities of 20 units per acre or more shall be awarded to assure that the New Construction needs can be fulfilled by 2014 per Program H.T.

Approximately 57% of the allocations are prioritized for multi-family and mixed use designations, helping to reduce an existing shortage of multi-family housing. In the last two years of Measure U, a second round allocation for 488 units will occur for the years 2011 and 2012.

**Figure 1, Measure Y Exemption Area**



**Post Measure “U” Growth Management:** Program: H.N. requires a study in 2011 to assess whether or not a growth management program is warranted when Measure U expires based on type and prices of housing generated between 2009 and 2011. If it is determined that a growth management program is warranted, Program H.N. includes possible types of exemptions (e.g. 100% affordable, certain types of infill, lot consolidation, downtown mixed use Measure y exemption area) and requires any growth program to be consistent with general plan growth rate of at least 254 dwelling units per year, as shown in Table LU1 of the General Plan Land Use and Community Design Element. If development continues at the projected rate shown in Table LU1 of the City of Hollister General Plan, approximately 508 new residences are realized based on 254 dwelling units per year.

### **2.3.a (6) Building Codes and Code Enforcement**

The City of Hollister has adopted the California Building Code (2007) part of the Uniform Building Code that sets minimum standards for residential development and all other structures. The standards may add material and labor costs, but are accepted state-wide as necessary minimum standards of safety. They do not pose a special constraint to the production of housing, but rather, protect the community.

Building code compliance for pre-existing units is limited to the enforcement of health and safety standards, rather than new construction building codes. The City’s Code Enforcement Department will continue to abate, on a complaint basis, illegal second units that pose significant life-endangering conditions. In these cases, the City enforces an ordinance that requires owners of illegal units to provide three months rent to displaced renters.

As part of the City’s ongoing program to encourage legalization of illegal units where life safety is not an issue, the City, through the RDA will offer rehabilitation loans to homeowners to make necessary repairs and modifications to illegal units to encourage conformance with the City’s new second unit development standards, subject to the availability of Affordable Housing funds.

The City of Hollister has experienced a high per capita foreclosure rate recently. The Council approved a vacant house ordinance to avoid public nuisance and potential destruction of property associated with vacated homes. Members of the City Council, Redevelopment Agency staff in partnership with San Benito County staff, continue to participate in town hall meetings for educational outreach to the community about how foreclosures can be avoided.

The City maintains an ongoing program of inspection and enforcement with its Code Enforcement officer and temporary staff. Redevelopment and Code Enforcement personnel staff work as partners in the process to identify and convert substandard and dilapidated housing conditions. The Code Enforcement division conducted an average of 42 inspections for “substandard housing” violations over the past four (4) years; activity is currently done on a complaint basis. As funding permits, enforcement related to dilapidated housing within the

City will be done on a proactive basis in an effort to reduce the number of dilapidated and unsafe structures in the City. One full time officer and one part time person work through the Community Development Department handling Code Enforcement Violations. The City has a past practice of referring residential rehabilitation violations to the Redevelopment Agency for potential housing rehabilitation assistance and will continue to do so. The City has identified the need to implement proactive code enforcement, as funding permits, to further enhance the City's ability to maintain the affordable housing stock.

### **2.3.a (7) On- and Off-Site Improvements**

For residential projects, the City requires both on- and off-site improvements. These include: curb/gutter and drainage facilities, sidewalks, paved streets, landscaping and water and sewer service. Such improvements are required as a condition of the subdivision map, or if a map is not required, improvements are required as part of the development project. These on- and off-site improvements promote the health, safety and general welfare of the public.

Curbs/gutters and drainage facilities direct storm and runoff water out of residential developments. City roadways are required to be paved. Pavement creates an all-weather roadway, facilitates roadway drainage, and reduces dust. Pavement also produces a high-speed circulation system and facilitates relatively safe traffic movement. Roadways are classified by the City according to traffic needs, as follows:

- Urban Arterial Highway: highway with 4 lanes and left turn pockets
- Major Highway: highway with 4 lanes and left turn pockets
- Secondary Highway: highway with 4 lanes
- Collector: highway with 2 lanes

Arterials, highways, and collector streets are designated in the Hollister General Plan Circulation Element according to existing and projected needs. Developers are responsible for the development of roadways associated with their residential project. Development impact fees are in place to pay development's fair share of costs for infrastructure needs, including traffic, fire, parks and recreation, water, sewer, and other public facilities.

### **2.3.a (8) Wastewater Treatment**

The City has put in place a Long-term Wastewater Management Plan (LTWMP), and has completed construction of a new state-of-the-art wastewater treatment plant and reclamation facility, that began operation in September, 2008. A more detailed discussion of the City's new wastewater treatment plant can be found in Section 2.2 of this document.

### **2.3.a (9) Off-Street Parking/Garages**

#### **Off Street Parking**

Detached single family homes are generally required to provide two spaces per dwelling unit. The provision of off-street parking for multiple family uses is determined by the use. The City is currently reviewing the parking standards for multi-family housing to link the standard to number of bedrooms. Parking based on the number of bedrooms would reduce off-street parking requirements for studios and one bedroom apartments. The City will continue to implement recently adopted measures to reduce the required parking freeing up more land area for the provision of housing, particularly in the downtown and mixed use zones. Measures include creating shared parking where feasible, utilizing compact spaces, and providing a waiver of the parking requirement for low income housing. Off-street parking requirements for second units include development of a total of four spaces for both the primary and secondary unit, although the planning commission may authorize a total of three spaces if one of the units has one bedroom or less and require one off-street parking space in setback areas per studio unit. Off-street parking requirements and other development standards are included in Section 2.2a; for reference the Residential Sections of the Zoning Ordinance are also included within Technical Appendix T-G to the housing element.

#### **Garages**

The City of Hollister encourages minimizing the visual impact of garages and/or covered carports. As stated in the Hollister General Plan, garages and driveways are to be located to the side of buildings and recess, or along rear alleyways or below the building in some higher density developments. The City discourages home designs in which garages dominate the public façade of the home.

### **2.3.a (10) Open Space**

#### **Residential**

Residential development should include open space as an integral part of a project or with the dedication of land for open space, and identify limitations to uses in those areas, such as restrictions on ornamental landscaping, structures and fences.

#### **Private/Public Open Space**

Through the development review process, the City of Hollister General Plan states that the City will preserve open space areas and encourage the dedication of open space areas that are adjacent to public open space. In addition, when potential open space is not contiguous to existing public open space, the preference is to retain the open space in private ownership. When portions of a site are retained as private open space, the City ensures the preservation and management of that open space through appropriate means, including required maintenance, as determined through development review. The City will work with other public and non-profit agencies to identify sources for acquisition and maintenance of

open space. A minimum of 450 square feet of usable private yard area per unit is also required.

### **2.3.a (11) Persons with Disabilities**

The City of Hollister conscientiously and specifically, implements and monitors compliance with SB 520 (Article 10) in the review of its General Plan, zoning ordinances, development codes, construction and re-construction regulations, and in the development of multi-family housing.

In order to provide exceptions in zoning and land use for housing persons with disabilities, the City has adopted written procedures as of October, 2008 to handle written land use and zoning decisions and procedures for formal requests for “Reasonable Accommodation” related to siting, development, funding and use of housing for person with disabilities. A copy of the Resolution and written procedures is included as Technical Appendix T-H to this housing element. It is incumbent on the City to strive to make sure the health and safety of adjacent residents are not jeopardized, by granting reasonable accommodation exceptions.

The zoning ordinance requires submittal of a vehicular and pedestrian plan for new development with requirements for American with Disabilities Act accessible connections between sidewalks, buildings and adjoining properties, shaded (deciduous acceptable) corridors, separation of paths from internal roads and contrasting paving (no paint) where crossing through an internal road cannot be avoided.

Supportive multi-family or single-family housing for the disabled is specifically permitted in any residential zone that permits multi-family complexes. Depending on the size of the development, they are required to provide handicapped parking spaces. The City is flexible and works with the developers of special needs housing and will reduce parking requirements if the applicant can demonstrate a reduced need for parking. The new Zoning Code, Title 17 (see Table 17.04-1) establishes a residential care facility for seven (7) or fewer occupants as a permitted use in all residential districts; facilities for eight (8) or more and supportive housing are permitted with a Use Permit in the High Density districts.

### **2.3.b. NON-GOVERNMENTAL CONSTRAINTS**

The ability to address the needs of underserved citizens of the City of Hollister must overcome a variety of obstacles, many of which are beyond the scope of municipal government. The responsibility for identifying, responding to, and mitigating these needs rests with the agencies providing services. Funding limitations exist at all levels.

Market forces influence the stability of housing units and rental prices. This includes existing and new dwelling units. While actions within the public sector play important parts in determining the cost of housing, pricing in the private sector is still the primary determinant of residential markets due to development costs (e.g., land, construction materials, financing) and consumer preference.

State law requires an analysis of potential and actual governmental and non-governmental constraints to the maintenance, improvement, and development of housing for all income levels. The Housing Element must identify ways, if any, to reduce or overcome these constraints in order to meet the City's housing needs.

### **2.3.b (1) Land and Construction Costs**

A number of costs are involved in the development of housing. These include the cost of land, materials, labor, financing, fees and associated development requirements, sales and marketing costs, and profit. Because many of these costs are determined by economic markets, it is difficult for a local government to mitigate or reduce them. A jurisdiction's land use policies, however, do directly influence the value of developable land.

The City of Hollister has not approved a subdivision with one acre lots. Larger lots of one-half and 1 acre or more are found outside of the city's limits in the unincorporated area of San Benito County. As an example of 2005 land costs, a developer of a 297-acre subdivision containing 35 lots, improved with undergrounded utilities, is currently marketing 1+ acre lots for \$320,000 to \$335,000. These are intended to be improved with high-end homes that are affordable to above-moderate incomes.

Developable land under the City's control is currently subjected to the General Plan, Zoning, and other development policy. In 2005, according to local realtors, a lot zoned R-1 with a lot size between 4,500 and 6,500 square feet typically sold between \$150,000 and \$160,000.

According to a local engineer, R-1 lots may be valued around \$100,000 to \$125,000 but the real estate market is in uncharted waters. Local land values have been suppressed by the high number of foreclosures in Hollister<sup>2</sup>. Lenders are repossessing homes faster than they are being sold causing declining market values in the City of Hollister. As of January 1<sup>st</sup>, 2009 the median home sales price for San Benito County has dropped 35.19% from 2007 to \$259,250.00 increasing the number of negative equity at-risk homeowners. According to the San Benito County Assessors' Office, some older homes on 6,000 square foot lots in Hollister are now selling for \$150,000 - \$180,000, which is close to the value of a vacant lot.

Construction costs vary depending upon the type of materials and finishes used. According to local developers, hard construction costs for housing typically range from \$60 to \$70 per square foot. Including the cost of land, site improvements, and development fees, a typical house will cost approximately \$200 per sq. ft. or, for example, \$400,000 for a 2,000 sq. ft. single-family unit. However, a local

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<sup>2</sup> Based on rough estimates from the City of Hollister Code Enforcement between 3000 and 5000 foreclosures have occurred in Hollister over the past couple of years.

engineer has stated that due to the current market conditions, a 2000 square foot home may sell for \$350,000.

Other than owner-builders, there may be little incentive to construct market rate homes for re-sale until land values stabilize in the first part of the program period. The City of Hollister is seeking partnerships with the Redevelopment Agency, the San Benito County Housing Coordinator, San Benito County, non-profits and Economic Stimulus funding to address the foreclosure issues in order to avoid additional foreclosures and stabilize land values

### **2.3.b (2) Availability of Financing**

An important factor in determining the availability of affordable homeownership opportunities is the availability of financing at reasonable interest rates. Interest rates are determined by the market and are affected by the general health of the economy, Federal Reserve Board policy, the current and expected rates of inflation, Federal fiscal policy, and other factors. In recent years, interest rates have been at historical lows. Currently 30-year conventional mortgage rates are at around 6%; lower interest rates are available for a variety of financing options.

It has become increasingly difficult for homebuyers without sufficient assets or home equity to qualify for financing without above-moderate incomes. Even those with above moderate incomes are finding it more difficult to obtain financing. The median price for a house in Hollister was \$426,275 in May 2008. Assuming a 10% down payment and an interest rate of 6% with a 30 year fixed loan, the monthly payment of the median priced home would be \$3,011. A monthly payment of \$3,011 would require a household income of \$120,000 to qualify for the loan. The median household income for a family of four is currently \$67,100.

### **2.3.b (3) Condominium Conversions**

As the availability of land decreases and the cost of land increases, there is a trend by developers to actively pursue the conversion of rental stock into more affordable homeownership condominium units. Condominium conversions can become one of the ways the City of Hollister can meet the demand for first time home buyer housing. However, while it does address the demand for homeownership, the conversions can remove necessary rental housing targeted to those households in the moderate incomes who may not be able to afford to buy a house.

The City adopted and will continue to enforce the condominium conversion ordinance No. 1022 in 2007 that links the rate of conversion to the generation of new multi-family housing rental stock. Until the number of multi-family units in the housing stock increases to above 20%, the conversion rate will be limited to 25% of the yearly average of multi-family rental units constructed in the previous to years. The conversion rate increases to 50% when the multi-family stock increases to above 20% of the citywide housing stocks.

City recognizes that some of the housing stock that may be converted would otherwise be affordable to tenants with low or moderate income, thus removing viable rental stock from the City's rental market. The City has approved projects that will generate 205 affordable rental units (Vista Meadows, Westside Apartments and Award Homes). In 2009, the City of Hollister will approve allocations for up to 709 dwelling units for 2008, 2009 and 2010. The approved rating scale priorities allocate 58% of the dwelling units to General Plan designations with medium to high density residential densities, which will help encourage the construction of additional multi-family rental housing stock.

Furthermore, the City will continue to seek assistance of other affordable housing developers, primarily through partnerships, in the rehabilitation and preservation of these units while establishing affordability covenants to ensure the affordability of the project over time.

### **2.3.c. CONSTRAINT REMOVAL EFFORTS**

Cost implications for developers of low-income housing can be significant when any increase inhibits the ability to provide units affordable to their clients. To offset developer's costs, fees may be lowered or eliminated by the Department Director on a case by case basis. The City continues to participate in funding programs to facilitate the development of affordable housing; the City will also actively seek funding from all sources to facilitate affordable housing development. Concurrent processing and development processing assistance for affordable projects will assist the development community to reduce costs and time associated with the approval process.

The City continues to offer cost reductions to developers, primarily through the activity of the Hollister Redevelopment Agency. The Agency offers cost savings, including financing options for affordable housing, through its Hollister Second Mortgage Program, the Owner Occupied Rehabilitation Program, and is implementing new programs as part of this housing element to increase the supply and availability of affordable housing opportunities. New programs include Tenant Based Rental Assistance, and the Foreclosed Home Reactivation Program to return foreclosed homes to the active market. The City has also participated either directly or indirectly in the following efforts to reduce other potential constraints on housing development in the City.

#### **2.3.c (1) Traffic**

Hollister's tremendous growth in the 1990's has impacted the City's ability to maintain roadways with acceptable levels of service. State Highway 25, the City's major east-west two-lane corridor that currently runs through the downtown area, has become increasingly dangerous and congested. Historical records indicate seventy collisions on Highway 25 annually.

In response to the well documented safety concerns, Highway 25 is currently being rerouted around the downtown section of Hollister with a recently completed "Highway 25 By-Pass". The bypass is anticipated to provide a north-

south corridor connecting commuters to residential areas and reduce traffic congestion in the downtown area, improve safety conditions in and around downtown and help foster a transition to a mixed use downtown. The City of Hollister Redevelopment Agency partnered with the Hollister Downtown Association to fund a strategic plan for downtown Hollister that was completed in 2008. The plan includes concepts for a post-bypass pedestrian oriented corridor on Main Street.

At the west entrance to Hollister, the Redevelopment Agency has prioritized a project to construct streetscape, traffic calming, landscaping and lighting in the West Gateway mixed use district.

The San Benito County Council of Governments is preparing a Pedestrian and Bicycle Master Plan. Gaps in connectivity for pedestrian and bicycle corridors have been identified as an issue with public outreach for the Master Plan and the Housing Element Update at community meetings.

Partnerships between the city, local organizations, the redevelopment agency, the San Benito County Council of Governments for a combination of pedestrian, parking, and streetscape improvements should enhance the economic vitality of the downtown, the West Gateway, and make the area more desirable neighborhood for future residents and visitors, thereby mitigating what has otherwise been a constraint on development in Hollister.

### **2.3.c (2) Fee Reductions and Other Considerations**

Cost implications for developers of low-income housing can be significant when any increase inhibits the ability to provide units affordable to their clients. To offset development costs, fees may be lowered by the City. Further, cost reductions can occur in the form of increased densities and concessions such as flexibility in site development standards and zoning code requirements, and financial aid from the Redevelopment Agency. The City continues to allow the deferment of impact fees until time of Certificate of Occupancy. The City will continue to employ constraint removal efforts to facilitate increased opportunities for the development of affordable housing.

### **2.3.c (3) Wastewater Treatment Capacity**

The City has put in place a Long-term Wastewater Management Plan (LTWMP), and has completed construction of a new state-of-the-art wastewater treatment plant and reclamation facility, that began operation in September, 2008 that has capacity for the 2023 build-out of the general plan and expansion capacity.

### **2.3.c (4) Density Bonus Program**

The City adopted as part of the revised Title 17 a Density Bonus program in accordance with the current provisions of State law. The density bonus provisions will encourage an increase in the supply of housing for lower income

groups, including very low and low income households. Well designed housing is important for all economic segments of the population. The entire Density Bonus program is contained in Technical Appendix T-G to this document. The program contains provision to allow bonuses of at least 25 percent for projects containing affordable units, and provides other incentives/concessions, including, but not limited to the following:

- Up to 15% reduction in landscaping requirements;
- Reduction in required off-street parking;
- Waiver of fees;
- Approval of mixed use buildings or development in conjunction with the residential development, if non-residential land uses will reduce the cost of the residential development, and if the City finds that the proposed non-residential uses are compatible with the residential development and with existing or planned development in the area where the proposed residential development will be located; and
- Up to 15% reduction in lot dimensions.

The City has identified the need to amend Title 17 to comply with recent amendments to State Law. Program H.HH requires the amendments to be completed by January 2010 and subsequent amendments are warranted by changes to state law.

### **2.3.c (5) Growth Management Rating Scale**

As discussed above, beginning on page 11, the City has adopted the Growth Management Rating Scale, which will allow the City to score and rank development projects. The rating scale for the years 2008- 2010 supports the construction of high density and mixed use housing (see Technical Appendix T-F). Measure Y, passed in December, 2008, exempts new units in the Downtown Commercial Mixed-Use District and portions of the Neighborhood Mixed Use district east of downtown from the allocation program.

### **2.3.c (6) Mixed Use Zoning**

As part of Title 17, the City adopted Mixed Use development standards to make possible affordable housing projects as part of a mixture of other uses, such as second and third story residential uses over commercial uses and offices on the ground floor. Overall, the Mixed Use, with flexible zoning standards, such as height bonuses, alternative parking arrangements, and other City concessions, the City will have at its disposal another tool to encourage and facilitate the development of housing affordable to all income groups including lower income. To provide further incentive for mixed use development in the Measure Y exemption area, a program has been included to adopt a Zoning Ordinance amendment to review infill projects on a case-by-case basis.

### **2.3.c (7) Second Units**

As discussed at length in Section 2.2.a of this housing element, the City has completely revised its regulation of second units to make eliminate the requirement for a conditional use permit and allow second units in the City with a building permit if performance standards can be met, thereby creating another opportunity for affordable housing opportunities in the City.

The City does not allow construction of single family residences and in-turn accessory second units in mixed use and the R3, R4 zoning districts in order to assure that land is not underdeveloped. A Program (Section 4.0 H.E) recommends amending the zoning ordinance to allow accessory second units with a building permit in the R3, R4 and Mixed Use zoning districts if there is evidence that an existing single family residence has been constructed on a lot that is less than 8,000 square feet in size, there is not potential for lot consolidation and performance standards for the accessory second unit can be met.

### **2.3.c (8) Lot Consolidation Incentives**

For projects where several smaller lots are consolidated to create a more developable site, Programs H.F, H.Q, H.BB, include incentives including Redevelopment Agency participation to offer financing assistance for projects that provide affordable units.

### **2.3.c (9) Infill Development**

To stimulate infill development, the City is offering incentives such as reducing and or eliminating off-street parking requirements, adopting flexible development standards, and creating a new R4-20 Zoning district with allowable densities of 20-35 units per acre (see Program H.H, H.I, and H.N).

## **2.3.d. OPPORTUNITIES FOR ENERGY CONSERVATION**

Housing elements are required to identify opportunities for energy conservation. The increasing cost of energy highlights the importance of reducing energy use by homeowners. Energy conservation reduces monthly housing costs and helps to ease the energy shortage. Programs that promote the use of renewable energy technologies can further minimize the use of nonrenewable resources.

The City of Hollister seeks to encourage energy conservation for homeowners. Title 24 energy conservation requirements are required for all new construction. The standards may increase initial construction costs, but over time result in energy savings and reduce utility costs for residents.

Conservation can be accomplished by reducing the use of energy-consuming items, or by physically modifying existing structures and land uses. The California Energy Commission

first adopted energy conservation standards for new construction in 1978. These standards, outlined in Title 24 of the California Administrative Code, contain specifications relating to insulation, glazing, heating and cooling systems, water heaters, swimming pool heaters, and several other items. Specific design provisions differ throughout the State depending upon local temperature conditions.

The City of Hollister promotes the following to encourage conservation:

- LEED (Leadership in Energy and Environmental Design) Program Green Building Rating System is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. LEED provides a complete framework for assessing building performance and meeting sustainability goals. Based on well-founded scientific standards, LEED emphasizes state of the art strategies for sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. LEED recognizes achievements and promotes expertise in green building through a comprehensive system offering project certification, professional accreditation and training.
- PG&E. PG&E sponsors a variety of programs designed to encourage energy-efficiency by consumers and the building industry. The company sponsors a comprehensive rebate program for qualifying ENERGY STAR labeled products, which include home appliances, home audio equipment, office equipment, compact fluorescent lightbulbs (CFLs), lighting fixtures, air conditioners, furnaces, windows and roofing products. Through the California ENERGY STAR Homes Program, builders may qualify for rebates up to \$700 per single-family home and \$150 per multi-family unit by incorporating energy-efficient features into new residences. To qualify for the incentives, builders must be accepted into the program before beginning construction and exceed Title 24 requirements by at least 15 percent. PG&E also provides a recycling program for old, energy inefficient refrigerators and offers a \$35 incentive, free pick-up and environmentally-safe disposal.